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Medical Liability Reform – A Benefit for Patients

Medical Liability Reform Promotes Access to Care

Our nation's broken medical liability system hurts all Americans, but it is patient access to care that is threatened the most. Across the nation, patients can sometimes find it difficult to get access to vital medical services. The reason? Medical lawsuit abuse is driving good doctors out of the practice of medicine, leaving patients without the care they need when they need it.

- The *National Report Card on the State of Emergency Medicine* gives our nation's medical liability environment a grade of C-. Adverse legal environments have caused physicians to retire early, curtail higher-risk services, decrease their availability to emergency patients or move to states with less liability exposure – decreasing the medical care available to patients.¹
- Liability concerns forced 40% of all OB/GYNs to make changes in their practice and have driven nearly four percent of those surveyed to stop practicing obstetrics altogether.²
- The average age at which physicians cease practicing obstetrics is now 48, an age once considered the midpoint of an OB/GYN's career.³
- The medical liability system in Illinois continues to drive up costs for hospitals and physicians, contributing to the closure of 20 hospitals across the state since 2000.⁴

Serious Physician Shortages Expected Without Medical Liability Reform

Physician shortages, led by a fear of medical liability lawsuits, are expected in the coming years.

Without medical liability reforms, physician supply will be unable to keep up with demand, and patients will feel the ripple effects in their doctors' offices and local hospitals.

- The Bureau of Labor Statistics is predicting a need for up to 123,000 more doctors across the country by 2022.⁵
- Amid growing demand for primary care, the American Association of Medical Colleges projects shortages of as many as 31,100 primary care physicians by 2025.⁶
- Florida faces a projected shortage of 7,000 physicians by 2025, with the Panhandle and Southwest Florida having the most severe shortages of doctors in endocrinology, rheumatology, hematology and other non-primary care areas.⁷

1 *The National Report Card on the State of Emergency Medicine*, American College of Emergency Physicians, 2014.

2 *ACOG Survey*, The American College of Obstetricians and Gynecologists, 2015.

3 *ACOG Survey*, The American College of Obstetricians and Gynecologists, 2015.

4 *Hospital Closures 1980 to Present*, Illinois Hospital Association, 2015.

5 Bureau of Labor Statistics, U.S. Department of Labor, *Occupational Outlook Handbook, 2014-15 Edition*, Physicians and Surgeons.

6 *Results of the 2014 Medical School Enrollment Survey*, American Association of Medical Colleges, April 2015.

7 "Study: Florida Facing Critical Shortage of Physician Specialists Through 2025," Safety Net Hospital Alliance of Florida, February 2015.

- Half of all graduating medical residents or fellows trained in Illinois leave the state to practice medicine elsewhere, in large part due to the medical liability environment in Illinois. The study warns that Illinois faces a severe shortage of physicians if corrections are not made to its liability system.⁸

Medical Liability Reform Reduces the National Debt by Controlling Health Care Costs

Medical lawsuit abuse is driving up the cost of health care – both the direct costs of high insurance premiums for physicians and hospitals, and the indirect costs of “defensive medicine,” where patients are subjected to unnecessary and expensive treatments in order to reduce the risk of litigation. While numbers may vary from study to study, it’s safe to say the cost is in the tens of billions each year and negatively impacting our national deficit.

- The Congressional Budget Office estimated that medical liability reforms, including reasonable limits on non-economic damages, implementation of a fair-share rule, a reduction in the statute of limitations, and limits on excessive attorney fees would result in \$62 billion in deficit reductions over the next 10 years.⁹
- Both the National Commission on Fiscal Responsibility and Reform and the Bipartisan Policy Center’s Debt Reduction Task Force included comprehensive medical liability reform as a necessary element in reducing our national deficit.
- The fear of lawsuits leads to defensive medicine, which causes health care expenditures to be higher than they otherwise would be. Applying results of previous studies to 2015 health spending estimates, the cost of defense medicine is estimated to be between \$160 billion and \$289 billion per year.¹⁰
- A landmark study in Massachusetts found that defensive medicine costs the state’s health care system over \$1.4 billion each year.¹¹
- The average amount spent to defend claims closed in 2012 was \$53,094. This average is a substantial increase compared with the average reported five years prior (2007), when average expenses were \$41,407. In 2012, the total expenses just for research and defense of claims that eventually were dropped, withdrawn, or dismissed amounted to more than \$194 million.¹²

Medical liability reform is the best way to ensure that health care is accessible, affordable, and available for patients when they need it.

8 *Illinois New Physician Workforce Study*, Northwestern University Feinberg School of Medicine, 2010.

9 Congressional Budget Office; Options for reducing the deficit: 2017-2026.

10 “Medical Liability Reform Now!” 2017 Edition, American Medical Association.

11 Massachusetts Medical Society, 2008.

12 PIAA Claim Trend Analysis, 2013.