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## **When medical liability reform is enacted at the state level...**

### ***...costs of providing health care go down.***

- Texas doctors have received, on average, a 46 percent reduction in their liability premiums since reforms were passed in the state in 2003, resulting in \$1.9 billion in reduced premiums.<sup>1</sup>
- Liability premiums for specialists in California are substantially less than for specialists in metropolitan areas in states without reforms, such as New York. An obstetrician/gynecologist in Los Angeles pays approximately \$49,804 per year for liability insurance, while the same specialist could pay \$191,907 in New York.<sup>2</sup>

### ***...access to care increases.***

- Between 2003 and 2016, Texas added 9,273 more in-state active physicians than can be accounted for by population growth. Fifty-six counties rural counties have added an emergency medicine physician; forty of those counties added their first ER doc. Nineteen counties added their first cardiologist; fourteen of those counties are rural.<sup>3</sup>
- West Virginia saw an increase in the number of licensed physicians from 5,182 in 2003, when reforms were passed, to 6,636 in 2014.<sup>4</sup>
- In the three years leading up to tort reform, Missouri lost 225 physicians. In the first full year after reforms were passed in 2005, the state added 486 new licensed physicians.<sup>5</sup>

### ***...awards benefit deserving patients, not personal injury attorneys.***

- A study by the RAND Corporation showed that California's Medical Injury Compensation Reform Act of 1975 was successful at decreasing insurer payouts, while more of the award went to patients. MICRA's contingency fee reform and limits on noneconomic damages caused plaintiff attorney fees to be reduced by 60 percent, while net recoveries to patients and their families were only reduced by 15 percent.<sup>6</sup>

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1 "Proposition 12 Produces Healthy Benefits," Texas Medical Association, <https://app.texmed.org/tma.archive.search/5238.html>

2 Medical Liability Monitor, 2021

3 "Proposition 12 Produces Healthy Benefits," Texas Medical Association, <https://app.texmed.org/tma.archive.search/5238.html>

4 Medical Malpractice Report, Insurers with 5% or more of the Medical Malpractice market share in West Virginia, West Virginia Offices of the Insurance Commissioner, November 2015.

5 Terry Ganey, Doctors vs. Lawyers, Colum. Daily Trib., Oct. 4, 2009. <https://www.columbiatribune.com/story/news/politics/government/2009/10/04/doctors-malpractice-insurance-rates-drop/21552987007/>

*...fewer meritless lawsuits are filed.*

- In Ohio, where reforms were passed in 2003, liability lawsuits in the state were down 41 percent between 2005 and 2010.<sup>7</sup>
- Liability lawsuits in West Virginia were down 50 percent after reforms, as of 2011.<sup>8</sup>
- Insurance premiums for most Texas doctors have been cut in half or more since the passage of reforms.<sup>9</sup>

***Patients in states that have enacted comprehensive medical liability reform have decreased their health care costs and increased access to quality medical care. Enacting these reforms at the federal level will benefit all patients.***

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6 Pace NM, Golinelli D, Zakaras L. *Capping Noneconomic Awards in Medical Malpractice Trials* xxiv. RAND Corp: 2004.

7 “Lawsuits Against Doctors Decline,” *The Columbus Dispatch*, 12 April 2012.

8 “W.Va. Supreme Court OKs State’s Cap for Non-Economic Damages in Case,” *The State Journal*, 27 July 2011.

9 “Proposition 12 Produces Healthy Benefits,” Texas Medical Association, <https://app.texmed.org/tma.archive.search/5238.html>

\* MICRA’s existing limit of \$250,000 will increase to \$350,000 for non-death cases and \$500,000 for wrongful death cases on the effective date January 1, 2023, followed by incremental increases over 10 years to \$750,000 for non-death cases and \$1,000,000 for wrongful death cases, after which a 2.0% annual inflationary adjustment will apply.