



The case for medical liability reform

The American Medical Association (AMA) is an outspoken advocate for medical liability reform as a means of protecting patients' access to care and slowing the rising cost of health care. In many states, medical liability premiums remain at or near all-time highs. Where states have been unable to enact effective reforms, a federal solution is needed. The AMA is committed to working on this issue until the medical liability crisis is solved at both the federal and state levels.

Liability costs affect everyone.

Through its impact on defensive medicine, liability pressure increases health system costs by **between \$84 and \$151 billion per year**.

More than 60 percent of liability claims against physicians are dropped, withdrawn or dismissed without payment. However, even these cases have a price, costing an average of more than \$18,000 to defend in 2007. Physicians are found not negligent in over 90 percent of cases that go to trial—yet **more than \$100,000 per case** is spent on defending those claims.

Medical liability premiums in many states, including Pennsylvania, New Jersey and Connecticut, are at levels **more than double** those of just a few years ago.

Access to care is affected by liability concerns.

One in 12 obstetricians who have reported changes in their practice as a result of the risk or fear of professional liability claims have stopped delivering babies.

In Massachusetts, **48 percent** of physicians have altered or limited their services because of liability concerns.

Numerous independent research articles show that over the long term, patients have greater access to physicians in areas with reforms, such as caps on noneconomic damages, than in areas without.

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Reforms work.

Medical liability premiums increased more than 1,029 percent throughout the country from 1976 through 2007—except in California. There, premiums grew by **less than one third of that amount** during the same span, thanks to reasonable limits on noneconomic damages that have been in place for more than three decades.

Since Texas enacted reforms in 2003, the state's physicians have seen their liability rates cut **by an average of 27 percent**. Texas also has experienced a **statewide increase** of physicians, particularly specialists.

Recent changes in states that have enacted significant reforms, and the long-term trends in California, are supported by a growing body of economic research that links tort reforms, such as caps on noneconomic damages, to **slower growth in indemnity payments and premiums**.

What the AMA is doing.

The AMA is leading an aggressive campaign to solve the medical liability crisis and protect patients' access to care by

- Working in concert with state medical associations to enact and defend strong medical liability reform laws.
- Continuing to advocate for federal reforms based on proven state solutions such as California's, which limit noneconomic damages in medical liability cases to \$250,000.

Learn more about the AMA's solutions to reform the nation's medical liability system and protect patients' access to health care.

www.ama-assn.org/go/liability

