

AMA-brokered deal secures coverage for Hahnemann residents, fellows

MAR 3, 2020

Kevin B. O'Reilly

News Editor

Residents and fellows affected by last year's record-breaking closure of Philadelphia's Hahnemann University Hospital liken the highly disruptive experience to a nightmare.

First they went through the turmoil of searching for and switching to new training positions elsewhere in the City of Brotherly Love and throughout the country. Then came the news that the 1,400-plus residents, fellows and Hahnemann training alumni would soon be left without the long-tail medical liability insurance coverage they needed to continue practice.

Dr. Randol Hooper, a pulmonology and critical care fellow formerly of Hahnemann and now training at Temple Health in Philadelphia, received annual premium quotes for long-tail coverage that were as high as \$30,000. Yet even quotes in the four-digit range were out of the question financially.

"It was a substantial amount of money to come up with that I don't have, and pretty much every other Hahnemann resident I know is in the same position," he said.

Now at least one part of the Hahnemann closure-related nightmare has ended.

A federal bankruptcy judge has approved a settlement with Hahnemann's owners to pay for the long-tail coverage. The AMA is underwriting legal representation of the orphaned residents and fellows in the case.

The settlement, approved in Chapter 11 proceedings in the U.S. Bankruptcy Court for the District of Delaware, also will provide the legally required coverage for the 100 attending physicians who lost their jobs when Hahnemann closed in the summer of 2019. Legal representation on behalf of displaced residents and fellows in the case is being conducted by Jeremy Ryan and the firm of Potter Anderson & Corroon.

“I am thrilled with how the AMA has handled this,” Dr. Hooper said. “They acted decisively in the direct interest of physicians who were in distress. You can’t ask for more than that.”

It’s hard to speculate how matters would have proceeded absent the AMA’s involvement, said Dr. Hooper, a member of the Ad Hoc Committee of Hahnemann Residents and Fellows, organized by the AMA.

“I had no legal contacts,” Dr. Hooper said. “I don’t even know where to get a lawyer to look at my contract when I start looking for a job next year.”

Why the AMA got involved

The AMA has partnered with the Pennsylvania Medical Society (PAMED), Philadelphia County Medical Society and others in working toward a resolution for the physicians affected by the closure of the nearly 500-bed Philadelphia hospital.

“It is critical that physicians-in-training who are forced to find new training programs after their teaching hospital closes aren’t also responsible for the cost of the medical liability insurance tail coverage guaranteed by the defunct program,” said AMA President Patrice A. Harris, MD, MA.

The “settlement is a significant victory for the many hundreds of residents and fellows impacted by the Hahnemann closure, as well as for the patients they serve,” she added.

“The AMA was proud to support these physicians-in-training who were left in professional and financial limbo after Hahnemann closed unexpectedly,” Dr. Harris said. The settlement means that “the displaced residents and fellows are able to move forward without having to worry about a lapse in their tail coverage, focusing instead on completing their training and caring for patients.”

For his part, Dr. Hooper is concerned that the Hahnemann closure—brought on by new owners—will become a “template because hospitals are closing everywhere.”

Dr. Harris said “the AMA is committed to protecting residents and fellows affected by training program closures and we will continue to work with partners to mitigate the risk of these vulnerabilities for our colleagues in training.”

How we got here



The deal follows an emergency motion on the matter filed late last year on behalf of the Ad Hoc Committee of Hahnemann Residents and Fellows.

Since Hahnemann University Hospital closed its doors, the AMA has been partnering with PAMED, Philadelphia County Medical Society and others to provide assistance and support to the residents and fellows impacted by the closure. PAMED has provided extensive and regularly updated resources on the Hahnemann University Hospital closure for the affected residents and fellows.

At the 2019 AMA Interim Meeting in November, the AMA House of Delegates adopted policy calling for the AMA to urgently partner with interested parties to identify viable options to secure tail coverage for the Hahnemann residents and others affected by future teaching hospital closures. The AMA and the AMA Foundation also offered financial aid, along with many other organizations, to fund grants to help offset relocation expenses for the residents and fellows affected by the Hahnemann closure.

Learn more about AMA Resident and Fellow Section gives voice to, and advocates for, issues that affect resident and fellow physicians.