

The Society of Thoracic Surgeons Medical Liability Reform Talking Points

Lawsuit Abuse Reform – The Need for Federal Solution

- **Reduces Health Care Costs**
 - The federal government would save as much as \$232 billion a year, including \$126 billion in the cost of defensive medicine, as much as \$56 billion in Federal costs through Medicare and other programs, and as much as \$50 billion in lost tax revenues. (*U.S. Department of Health and Human Services, Addressing the New Health Care Crisis: Reforming the Medical Litigation System to Improve the Quality of Health Care, March 3, 2003*).
 - The median damage award in a medical liability lawsuit nearly tripled to more than \$1 million from 1994 to 2001. The average jury award soared to \$3.5 million in 2000. These are dollars taken out of the healthcare system – less and less money goes toward actual patient care. (*Jury Verdict Research, Current Award Trends in Personal Injury, 2002*).
 - Overall costs associated with medical liability are far outpacing the growth in medical costs. From 1990 through 2000, liability costs more than doubled (140%), which is more than double the 60% increase in general medical costs over the same period. From 1975 through 2000, medical liability costs skyrocketed by 1,642% compared with 449% for general medical costs. (*Insurance Information Institute*).
 - Increased losses on claims are the primary contributor to higher medical liability insurance premium rates. (*2003 GAO Report, “Medical Malpractice Insurance: Multiple Factors Have Contributed to Increased Premium Rates*).
 - From 1976 to 2000, liability premiums for California physicians rose only 167% as compared to 505% for the entire U.S. (*NAIC Profitability Study, 2000*).

- **Protects Patient Access to Care**
 - 60% of Americans believe liability lawsuits were a very important factor in causing higher health care costs. (*Kaiser Family Foundation Survey, “Health Care Agenda for the New Congress, January 2005*).
 - 63% of Americans favored caps on non-economic damages. (*Kaiser Family Foundation Survey, “Health Care Agenda for the New Congress, January 2005*).
 - A cardiothoracic surgeon from New Jersey was forced to close his practice after his medical liability insurance premium soared from \$80,000 to \$190,000 in one year. (*Asbury Park Press, March 20, 2003*).
 - Pennsylvania is a prime example of the need for a federal solution:
 - Patients are suffering the most – Northern Pennsylvania lost its only pediatric cardiac surgeon, when he moved to Tennessee because of increased medical liability costs. (*Morning Call, Oct. 9, 2003*).
 - 3 of the state’s top heart and lung surgeons were forced to leave Pennsylvania because of skyrocketing medical liability insurance costs. (*Morning Call, Oct. 9, 2003*).
 - According to the Pennsylvania Association for Thoracic Surgery, fewer than 5% of all heart and lung surgeons in Pennsylvania are under the age of 45, down from 30% only ten years ago. (*Morning Call, Oct. 9, 2003*).

- **Protects the Future of Medicine**
 - For the first time ever, less than 100 U.S. medical school graduates applied for thoracic residency programs and there were less applicants (134) than open residency slots (138). (*Society of Thoracic Surgeons, 2004*).
 - For the first time ever, there were less applicants (134) than open residency slots (138). (*Society of Thoracic Surgeons, 2004*).
 - The total number of medical school graduates applying for thoracic residency programs has declined 32% since 1995 (from a high of 197 in 1995-1996 to a low of 134 in 2005). (*Society of Thoracic Surgeons, 2004*).

- Current and future shortages of high-risk specialty physicians will increase the magnitude of the problem. In a study of third and fourth-year medical students, nearly half said the current crisis was a significant factor in their specialty choice. (*American Medical Association, December 2003*).