



**Physician Insurers
Association of America**

Protecting Healthcare

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Statement from the Physician Insurers Association of America On President Obama's Congressional Healthcare Reform Address

Rockville, MD – September 11, 2009 – In response to President Obama's September 9, 2009 congressional address on healthcare reform, Lawrence E. Smarr, president of the Physician Insurers Association of America (PIAA), issued the following statement:

“The PIAA is pleased that President Obama acknowledged the need for federal action to address the country's broken medical liability system. Liability reform is critical to containing healthcare costs for everyone—and empowering physicians to practice the best possible medicine.

While information is slow to come forth about what will be in the President's plan, the most crucial element—Congressional action—has been completely left out. The President mentioned demonstration projects. These projects may be helpful, and the PIAA has previously endorsed the concepts of certificates of merit and ‘early offers’ experimentation in the states, but Congress needs to authorize any such program and define its parameters. Due to their critical nature, any and all demonstration projects must have Congressional oversight to ensure that they are carried out in accordance with the will of the public and are conducted to the point of full completion.

The President's proposal must not, as the personal injury bar has suggested, provide Congress with a pass on addressing much needed medical professional liability reforms. Real reforms such as caps on non-economic damages and on attorneys' fees have been tested in the states and proven effective. These successful initiatives, which have previously passed in the House of Representatives more than 10 times, should not be ignored.

Additional reforms that preserve previously established effective state laws can and should be enacted to help alleviate the burden the system places on doctors and patients alike. Among these are certificate of merit requirements, expert witness standards, liability protections for volunteer healthcare providers in disaster situations and for emergency medicine providers, physician apology programs, and penalties for the filing of frivolous lawsuits.

Ultimately, I believe that a majority of Americans want Congress to include medical liability reform in any overhaul of the healthcare system. More and more people understand that addressing our faulty medical liability system is critical to reigning in costs and enhancing

patient safety. On behalf of the PIAA and its constituents, I look forward to working with the Executive Office and members of Congress toward achieving this goal.”

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The Physician Insurers Association of America (PIAA) is a leading insurer trade association, representing 70 domestic and international medical professional liability insurance companies owned and/or operated by physicians, hospitals, dentists, and other healthcare providers. PIAA domestic member companies include large national insurance companies, mid-size regional writers, single-state insurers, and specialty companies that serve specific healthcare-provider niche markets. Collectively, these companies provide insurance protection to more than 60% of America's private practice physicians, and write approximately 46% or \$5.2 billion of the total industry premium. PIAA international members provide indemnification and other services to more than 400,000 healthcare professionals around the world and operate in eight countries. For more information, visit www.piaa.us.