



**Physician Insurers  
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*Protecting Healthcare*

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## **Statement from the Physician Insurers Association of America On the Senate Finance Committee's Healthcare Reform Proposal**

**Rockville, MD – September 16, 2009** – In response to the introduction of the Senate Finance Committee's healthcare reform plan, Lawrence E. Smarr, president of the Physician Insurers Association of America (PIAA), issued the following statement:

“The PIAA is pleased that the Senate Finance Committee has identified the need to address the country's broken medical liability system. However, this Sense of the Senate statement, similar to the proposal put forth by the White House, falls woefully short as it omits real congressional action in addressing medical liability reform.

The facts show that we have a medical liability system that does not serve anybody's best interests. Medical liability claims, on average, take more than four years to resolve—an interminably long time for a truly injured patient to wait for due recompense, and an equally long time for defendant physician to endure a legal battle and the stress of defending his or her reputation.

The case for reform would be compelling based solely upon the inefficiencies and unfairness inherent in the system, however, the current medical liability system is undermining the entirety of healthcare services by driving up costs, diminishing patient's access to care, and forcing physicians to practice defensive medicine that is designed to address the demands of plaintiffs' lawyers rather than the healthcare needs of patients.

Reforms such as caps on non-economic damages and on attorneys' fees remain the most effective manner in which to reign in frivolous lawsuits and promote a healthcare system that protects the interests of patients and reduces costs. Over the last decade, numerous states have undertaken such initiatives to repair their medical liability systems—and as a result have experienced an increase in healthcare providers and a decline in medical liability insurance premiums.

If Congress will not consider these real reforms, 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 reforms 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.

We believe Congress should move to adopt such reforms specifically, as opposed to simply authorizing limited ‘demonstration projects.’ However, should demonstration projects be enacted, federal action must be compelled by statute, and the demonstration projects must be funded and defined in sufficient detail in order to ensure that they result in real benefits for patients and the healthcare system.

No healthcare reform bill will be complete without medical liability reform. Congress now has the opportunity to reach the same conclusion, and take the steps that have proven successful in California, Colorado, Texas and many other states.”

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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](http://www.piaa.us).*