



**A Coalition of 13 Medical Societies Representing
170,000 Specialty Physicians in the United States**

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September 12, 2003

TO: Members of the United States Senate

Dear Senator:

On behalf of the 170,000 physicians represented by the Alliance of Specialty Medicine, we request your commitment to reconsider comprehensive medical liability reform legislation this year. The scope of the medical liability crisis is such that it is now a national problem that requires an immediate federal solution.

As you know, over the past several years the cost of medical liability insurance has risen to unsustainable levels in many parts of the country. Skyrocketing medical liability premiums are placing tremendous pressures on physicians to the point where they are restricting their services, moving to non-crisis states or retiring from medical practice altogether. Clearly, this is making it more difficult for patients, particularly those in rural areas, to find the specialty care they need when they need it.

There are several factors contributing to the rising medical liability premiums, including high litigation costs – often for meritless lawsuits that are ultimately dismissed, but are nevertheless extremely costly to defend. At the heart of the problem, however, is the unrestrained escalation of jury awards.

Fortunately, there is a proven solution at hand that will go a long way towards solving this crisis – California's "Medical Injury Compensation and Reform Act" (MICRA). The Alliance therefore encourages the Senate to consider and pass legislation that is modeled on MICRA, which includes, among other things, an effective cap on non-economic damages, while at the same time ensuring that patients are fully compensated for all of their economic damages. Furthermore, a federal cap should be designed to allow states that have enacted laws similar to MICRA to retain their state-specific damage caps.

Numerous studies, including recent reports by the General Accounting Office (GAO) have found that caps on non-economic damages are an effective means of controlling medical liability costs. According to a 2003 GAO report published this summer, states with caps on non-economic damages experienced lower rates of increase in liability premiums from 2001 to 2002 than states with limited reforms. The report also found that the average per capita payments for claims against all physicians tended to be lower on average in states with caps on non-economic damages than in states with limited reforms. The GAO report confirms similar findings by previous studies conducted by the Joint Economic Committee of the U.S. Congress, the Department of Health and Human Services, Milliman USA and others.

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The rising cost of medical liability premiums is an issue of great concern to all specialty physicians who are worried about their ability to continue delivering care to their patients. We look forward to working with both Republicans and Democrats to develop an appropriate and meaningful solution to this crisis.

If you have any questions or would like to request a meeting with the Alliance of Specialty Medicine, please contact the Chairs of the Alliance of Specialty Medicine Medical Liability Workgroup, Katie Orrico at korrico@neurosurgery.org or 202/628-2072 and Kathy Pontzer at Pontzer@aaos.org or 202/546-4430..

Sincerely,

American Academy of Dermatology Association
American Association of Neurological Surgeons/Congress of Neurological Surgeons
American Association of Orthopaedic Surgeons
American College of Cardiology
American College of Emergency Physicians
American College of Radiology
American Gastroenterological Association
American Society for Clinical Pathology
American Society for Therapeutic Radiology and Oncology
American Society of Cataract and Refractive Surgery
American Urological Association
National Association of Spine Specialists
Society of Thoracic Surgeons