



Medical Liability Reform

ACTION NEEDED:

NAHU urges the U.S. Senate to pass H.R. 5, the HEALTH Act, during the 109th Congress and thanks the U.S. House for passing this legislation during the first session.

BACKGROUND:

America's health care delivery system is in crisis. Medical malpractice insurance costs are increasing at such a rapid rate that many physicians are being forced to move out of state in search of lower malpractice costs, or to leave their practices entirely. This is leaving millions of Americans, especially in rural areas, with little or no access to adequate and affordable health care.

The threat of lawsuit abuse also often forces physicians to perform invasive and expensive tests in order to protect themselves from frivolous lawsuits. Medical liability expenses are estimated to cost the country \$24 billion each year, which is passed directly on to the consumer in the form of higher health insurance premiums. In recent years, claims payments have risen almost three times the rate of inflation.

NAHU believes that unlimited lawsuits will not ensure accountability of either health plans or providers. Medical liability reform needs to be enacted now so that medical malpractice laws provide adequate compensation for those wrongfully injured while reducing frivolous lawsuits and extraordinary damage awards.

NAHU supports the following common-sense reforms:

- Limit non-economic damages to \$250,000
- Allocate damages fairly
- Allow patients to recover damages while maintaining the \$250,000 cap
- Place reasonable limits on punitive damages
- Limit attorneys' fees to a percentage of jury awards

Limit the number of years a plaintiff has to file a claim

In his 2006 State of the Union address, President Bush called on Congress to make the medical liability system fairer and to reduce wasteful costs. On July 28, 2005, the House passed H.R. 5, which encompasses the common-sense reforms supported by the president and NAHU. We now look to the Senate with hopes that it will also pass legislation to protect access to health care and health insurance for all Americans by placing caps on damages and implementing other ideas already adopted at the state level.

