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PIAA Commends Inclusion of Medical Liability Reform in 'Gang of Six' Debt-Reduction Plan

Rockville, MD – July 20, 2011 – The Physician Insurers Association of America (PIAA), the national insurance industry trade association representing medical professional liability (MPL) insurance companies, today spoke out in strong support of the inclusion of medical professional liability (MPL) reform in the Senate’s “Gang of Six” bipartisan debt-reduction plan.

“Meritless claims, which are numerous because of the current MPL system, needlessly clog the courts, consume resources that would otherwise help injured patients, and delay compensation to those who have been truly injured,” said PIAA President Lawrence E. Smarr. “For these reasons alone, federal tort reform is long overdue. However, we are pleased that these Senators, along with several experts, have concluded that MPL reform will reduce our national debt. This makes it more imperative than ever that effective MPL reforms be put into place.”

The Congressional Budget Office (CBO) has identified significant cost savings from implementation of federal healthcare programs that include MPL reform, including projected savings of $13.5 billion in the first five years after enactment, and $54 billion over a ten-year time period.

The “Gang of Six” debt-reduction proposal requires the Judiciary Committee to develop MPL reform legislation that would result in an “unspecified amount” of savings over the next ten years.

“We look forward to working with these senators to ensure the enactment of meaningful reforms,” added Smarr.

The PIAA is the national insurance trade association representing medical liability insurance companies. PIAA members insure more than 60 percent of America’s private practicing physicians as well as dentists, hospitals, and other healthcare practitioners.

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