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PIAA Lauds Congressional Leaders for Introduction of HEALTH Act (H.R. 5)

Rockville, MD – January 25, 2011 – The Physician Insurers Association of America (PIAA), a national trade association representing healthcare provider-owned and/or -operated medical professional liability insurance companies, today commended Senior Health Subcommittee Member Phil Gingrey, MD (R-Ga.), House Judiciary Chairman Lamar Smith (R-Tex.), and Congressman David Scott (D-Ga.) for introducing the Help Efficient, Accessible, Low-cost, Timely Healthcare (HEALTH) Act (H.R. 5).

“The reformation of our medical liability system is critical for both patients and healthcare providers,” said Lawrence E. Smarr, president of the PIAA. “The HEALTH Act will help ensure fair and timely compensation to injured patients, promote affordable and accessible medical liability insurance coverage, and improve healthcare provider-patient communications. We applaud Congressmen Gingrey, Smith, and Scott for their continuing, bipartisan efforts to repair our nation’s broken liability system.”

The HEALTH Act contains a number of proven reforms that the PIAA believes to be critical for improving the fairness and efficiency of the medical liability system. These reforms include a $250,000 cap on subjective, non-economic damages; collateral source rule reform allowing evidence of outside payments to be made in court; a ban on subrogation by collateral sources; a fee schedule for attorney contingency fees to ensure victims of negligence receive the funds they need; and periodic payments of future damages so funds are available to injured patients at the time they need them.

“We will these reforms restore fairness and equity to our medical liability system for patients and healthcare providers alike, they will also result in notable savings for Americans,” continued Smarr. “The Congressional Budget Office has studied the fiscal impact of tort reform legislation and reported significant cost savings for federal healthcare programs. Opponents of medical liability reform continue to trivialize these savings—but the fact is that a potential $54 billion in cost reductions for the federal government over a ten-year period is far from insignificant.”

Smarr further stated that the vast majority of lawsuits against healthcare providers are found to be meritless. “PIAA 2009 data shows that 70% of medical professional liability claims filed were demonstrated to lack merit and resulted in no payment to the claimant, and that in this same year, the defense prevailed in 88% of the cases that were resolved by trial,” Smarr said. “The bottom line is that the current litigious climate limits patient access to care and has led to a significant increase in the overall cost of healthcare. We urge all lawmakers to consider these facts and join their colleagues in supporting passage of the HEALTH Act.”

The PIAA is a national association of healthcare provider-owned and/or -operated medical liability insurance companies, which insure more than 60 percent of America’s private practicing physicians as well as dentists, hospitals, and other healthcare practitioners.

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