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PIAA Praises West Virginia Supreme Court Decision to Uphold Cap on Non-economic Damages in Medical Liability Lawsuits

Rockville, MD – June 23, 2011 – The Physician Insurers Association of America (PIAA), the national insurance industry trade association representing medical professional liability (MPL) insurance companies, today applauded a ruling by the West Virginia Supreme Court of Appeals that sustains the state’s cap on non-economic damages in medical liability lawsuits.

McDonald v. City Hospital challenged the state constitutionality of the West Virginia non-economic damage cap. The West Virginia Supreme Court of Appeals’ decision, which was issued yesterday, preserves the non-economic damage cap that was passed by the West Virginia state legislature and signed into law by Governor Bob Wise in 2003.

“We are very pleased with this decision,” said PIAA President Lawrence E. Smarr. “This is a tremendous victory for the preservation of affordability and accessibility of healthcare for the citizens of West Virginia.”

“The PIAA was ardently opposed to the cap challenge and participated in an amicus brief filed in support of our members operating in West Virginia as well as numerous other healthcare organizations located in the state,” Smarr continued. “Preserving non-economic damage caps is critical in deterring the lawsuit abuse that continues to plague our healthcare system, and this decision has the potential to bolster similar defense efforts in other states as they may arise.”

“We have seen clear evidence in states like California and Texas that the enactment of proven, effective reforms has improved patient access to care, lowered healthcare costs, and curbed non-meritorious lawsuits. Many other states are facing similar constitutional challenges—and we hope that the courts in these jurisdictions will come to the same conclusion as the West Virginia Supreme Court,” stated 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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