

# ***HEALTH CARE***

## **NEWS AND INFORMATION**

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*Health Care: News and Information* is a service of the Healthcare Leadership Council (HLC) to help our readers stay fully informed about the latest health care issues as we work to advance a high-quality health care system.

Jim Edwards, Editor

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## **Texas Liability Caps Pay Off**

**Medical liability reforms enacted in Texas are causing health care providers' insurance premiums to drop.**

- The Lone Star State's biggest medical liability insurer has announced the latest drop in premiums.
- In 2003, Texans enacted a reform that, among other things, capped "pain and suffering" damage awards at \$250,000.
- Experts and medical professionals in the state credit that common-sense law for ending Texas's crisis.

**Texas is proof that reasonable medical liability reform can benefit medical providers and the public alike.**

- With this latest premium reduction, the Texas law will have saved doctors some \$380 million in premium costs. And that's just for the 14,500 clients insured by this company.
- The Texas Medical Liability Trust has approved an average insurance rate cut of 4.7 percent for 2009.
- Also, the insurer will pay policyholders who renew their policy a 22.5 percent dividend.
- This will be the fourth straight year the Texas insurer has paid insureds a dividend. It's the largest percentage dividend ever.

**Texas has seen its situation turn from one of lawyers suing recklessly to one where medical providers can do their job without fear.**

- Having access to affordable liability coverage is critical for medical providers — especially those doing high-risk procedures.
- The former crisis in medical liability lawsuits had put Texas on the map as a big state — big for predatory lawsuits against doctors, hospitals and other providers.

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- Now, doctors and other medical professionals have flocked to Texas to open practices. Previously, patients had had trouble getting certain treatments, finding a doctor or receiving timely care.
- “Effective tort reform has continued to reduce nonmeritorious litigation against physicians,” the insurer said. “As long as 2003 tort reform measures remain in place, TMLT believes the legal environment will remain stable.”

**While health leaders applaud Texas’s success at reining in litigation abuse, enacting reforms state by state gets us only so far. Congress should take a cue from Texas. Congress should adopt strong liability reforms at the federal level.**

*The Healthcare Leadership Council, representing the innovators in each sector of the health care industry, is committed to advancing a market-based health care system that values innovation and provides affordable, high-quality care.*

HLC field directors:

Darren Katz (404) 885-9351  
(AL, AR, FL, GA, LA, MS, SC)

Paul Pearson (405) 488-0541  
(AZ, CO, KS, MN, NE, ND, NM, OK, SD, TX, UT)

Brad Crone (919) 834-8431  
(DE, KY, NC, MD, MO, TN, VA, WV)

Larry Krutchik (818) 728-3355  
(AK, CA, HI, ID, MT, NV, OR, WA, WY)

Brian Feldman (404) 885-1723  
(IA, IL, IN, OH, MA, MI, RI, WI)

Tom Maher (603) 431-2340  
(CT, ME, NH, NJ, NY, PA, VT)

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**Healthcare Leadership Council  
1001 Pennsylvania Avenue, Suite 550 South  
Washington, DC 20004  
(202) 452-8700  
[www.hlc.org](http://www.hlc.org)**