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VICE CHAIRMAN JIM SAXTON

PRESS RELEASE

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MEDICAL MALPRACTICE CRISIS CONTINUES

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WASHINGTON, D.C. – Medical malpractice insurance continues to be plagued by rapidly escalating premiums, which in turn threaten the availability and affordability of medical care, according to Vice Chairman Jim Saxton. Two recent studies confirm that these problems persisted through 2002 and 2003.

A recent Tillinghast-Towers Perrin study found that medical malpractice costs reached a record \$24.6 billion in 2002, an increase of 9.9 percent from the previous year. The growth rate in 2002 was the highest in five years, and double the rate of medical care inflation. Relative to gross domestic product (GDP), medical malpractice costs reached a new all-time high in 2002.

In addition, the latest *Medical Liability Monitor* survey of medical malpractice insurance rates found that high and increasing premiums permeated the field in 2003. For example, annual rates for general surgeons in the Detroit area increased 43.9 percent last year, to \$154,165, while rates in Philadelphia jumped 25.8 percent to \$131,348. Obstetrics/Gynecology (OB/Gyn) has been among the hardest hit, with rates reaching \$249,196 in Dade County, FL (up 24.0 percent) and \$152,730 in Philadelphia (up 31.2 percent).

As high as premiums have gone, the outlook for medical malpractice is not encouraging. The *Medical Liability Monitor* further concluded that “About 83 percent of respondents believe additional large rate increases are needed... Many respondents said that without meaningful, lasting tort reform, there is little hope that large rate increases can be abated.”

“The problems infecting medical malpractice persist in impeding access to health care and driving up costs to consumers and taxpayers. Popular recognition of these problems is unmistakable. An article in the current issue of *Reader’s Digest*, citing a recent Joint Economic Committee study on the subject, is just the latest example of this awareness,” Saxton said. “We continue to see the ill effects of excessive litigation. It is past time to enact significant and substantive medical malpractice reform.

“These reports are just the most recent evidence that the medical malpractice crisis continued in 2002 and 2003, and that significant improvement may not materialize until tort reform is enacted,” Saxton continued.

For copies of the Joint Economic Committee studies *Liability for Medical Malpractice: Issues and Evidence* and *Medical Malpractice Reform: Perspectives on Recent Findings by the GAO*, please visit our website at www.house.gov/jec.

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