

CONGRESS OF THE UNITED STATES

Joint Economic Committee

VICE CHAIRMAN JIM SAXTON

PRESS RELEASE

For Immediate Release May 6, 2003 Press Release #108-20 Contact: Christopher Frenze (202) 225-3923

MEDICAL MALPRACTICE REFORM WOULD CURB COSTS & IMPROVE ACCESS TO HEALTH CARE

WASHINGTON, D.C. – The shortcomings of the medical liability system have driven up health insurance premiums and reduced access to medical care, according to a new Joint Economic Committee (JEC) study released today by Vice Chairman Jim Saxton. The new study, *Liability for Medical Malpractice: Issues and Evidence*, examines the current status of the malpractice system, documents the numerous flaws in the system, and discusses the need for and benefits of reform.

"The United States health care system offers the best quality care in the world," Saxton said. "It is therefore dismaying to see the consequences of exploding malpractice insurance costs. The typical jury award in medical malpractice cases is now \$1 million. As a result, doctors are being driven out of medical care or are limiting their services. Hospital emergency rooms are often threatened with closure, and sometimes actually close due to the high cost of malpractice insurance. And low-income households are finding health insurance increasingly unaffordable.

"Among the key findings of the new JEC study is that the lawsuit-based tort system for medical malpractice currently fails to achieve either of its goals. First, the system fails to provide compensation to the right people, as most malpractice claims are not tied to a negligent injury and most victims of negligent injuries never file a claim. Second, the tort system does not consistently punish negligent doctors.

"The time has come to reform the medical malpractice system," Saxton continued. "The reforms reported in this new JEC study would reduce overall spending on health care, and save the federal government upwards of \$67 billion over the next ten years. Medical malpractice reform will benefit patients by increasing their access to medical care and by making health insurance more affordable as costs go down. Moreover, many women will find it easier to get Ob/Gyn care," Saxton concluded.

For a copy of the JEC study and more information on medical malpractice reform and on other economic issues, please visit our website at <u>www.house.gov/jec</u>.

###