



## Issue Summary

# Medical Liability Reform

America's health care delivery system is in crisis. Medical malpractice insurance costs are increasing at such a rapid rate that many physicians are being forced to move out of state in search of lower malpractice costs or leave their practices entirely. This is leaving millions of Americans, especially in rural areas, with little or no access to adequate and affordable health care.

The threat of lawsuit abuse also often forces physicians to perform invasive and expensive tests in order to protect themselves from frivolous lawsuits.

Medical liability expenses are estimated to cost the country \$24 billion each year, and that cost is passed directly on to the consumer in the form of higher health insurance premiums.

NAHU supports the following common-sense medical liability reforms:

- Limiting non-economic damages to \$250,000
- Allocating damages fairly, in proportion to a party's degree of fault
- Allowing patients to recover damages such as future medical expenses and loss of future earnings while maintaining the \$250,000 non-economic damages cap
- Placing reasonable limits on punitive damages
- Limiting attorneys' fees to a percentage of jury awards
- Limiting the number of years a plaintiff has to file a health care liability action, to ensure that claims are brought while evidence and witnesses are available

NAHU believes that unlimited lawsuits will not ensure accountability of either health plans or providers. Medical liability reform needs to be enacted now, so that medical malpractice laws provide adequate compensation for those wrongfully injured while reducing frivolous lawsuits and extraordinary damage awards.

We strongly believe that state action on tort reform, such as California's legislation, is a model for federal reform, and we encourage the federal government to protect access to health care and health insurance for all Americans by placing caps on damages as well as implementing other ideas adopted at the state-level.