



MEDICAL LIABILITY REFORM PRESERVES ACCESS TO COURTS

California's MICRA Preserves Access To Courts

In 1975, California enacted landmark medical liability reform that, among other things, entitled patients to recover unlimited economic damages, limited non-economic damages to \$250,000 and place guidelines on attorney's fees. This legislation – known as MICRA – is a model for federal reform because it has produced a stable, competitive medical liability insurance market while ensuring that patients have full access to courts.

- Between 1975-1980, California patients filed 4.13 suits for every 100 doctors with medical liability insurance. By 1998, patients were filing 12.48 suits for every 100 covered physicians – a three-fold increase. *(NORCAL Mutual Insurance Company, January 9, 2003)*
- California patients bring as many medical liability claims today on a per capita basis as they did before MICRA was enacted. *(NORCAL Mutual Insurance Company, January 9, 2003)*

Patients Benefit From Faster Settlements

In addition to preserving patients' access to courts, medical liability reform speeds the settlement of claims by keeping many meritless lawsuits from clogging up the courts.

- In California, it takes an average of just over 3 years to settle a medical liability claim – 26% shorter than the national average of 4.09 years. *(National Practitioner Data Bank, Californians Allied for Patient Protection)*

Patients Still Receive Full and Unlimited Compensation

There is clear evidence that MICRA has preserved the ability of California patients to recover damages on medical liability claims, including sizable awards for the truly injured.

- Despite MICRA's success in keeping medical liability premiums stable, the average medical liability claim in California has outpaced the rate of inflation – primarily because MICRA guarantees full and unlimited recovery of economic damages. *(Californians Allied for Patient Protection)*

- Under MICRA, California juries can and have awarded large verdicts for seriously injured patients. In December 2002, an Alameda County jury awarded a 5-year-old boy more than \$84 million in damages for injuries related to delayed treatment of jaundice after birth. In July 2002, a Los Angeles jury handed down a \$12.5 million judgment to a 30-year-old homemaker who suffered brain damage during surgery. (*Californians Allied for Patient Protection*)

Needed: A Medical Liability System Designed For Patients, Not Lawyers

If medical liability reform preserves patients' access to the courts, limits unreasonable awards while ensuring that those with legitimate needs are fully and efficiently compensated and stabilizes medical liability premiums, why are some critics still so strongly opposed? Because they have a vested interest in preserving a system that currently benefits lawyers, not patients.

- According to the Medical Insurance Exchange of California's 1998 Large Loss Trend Study, from 1994-1998 as a result of California's medical liability reforms, more than \$77 million in high damage awards was redirected from lawyers to patients.
- In California, where limitations on attorneys' fees as part of tort reform have been in place since 1975, a plaintiff's attorney still receives more than \$220,000 of a \$1 million award – and plaintiffs receive 17% more than under traditional contingency arrangements. (*PIAA, Medical Malpractice Claim Expenses, 1999*)

Medical Liability Reform – Including Limits On Non-Economic Damages – Preserves Patients Access To Courts While Keeping Insurance Premiums Stable And Lowering Overall Health Care Costs