



FOR IMMEDIATE RELEASE: January 26, 2011
Contact: Kathy Fairbanks, (916) 443-0872
kfairbanks@bcfpublicaffairs.com

CALIFORNIANS ALLIED FOR PATIENT PROTECTION COMMENDS PRESIDENT OBAMA FOR STATE OF THE UNION COMMENTS SUPPORTING MEDICAL MALPRACTICE REFORM

Urges President Obama and Congress to Look at MICRA As a National Model

SACRAMENTO, CA -- *Lisa Maas, executive director of Californians Allied for Patient Protection (CAPP), issued the following statement in response to President Obama's State of the Union speech last night in which he indicated support for medical malpractice reform, noting that frivolous medical malpractice lawsuits increase healthcare costs.*

CAPP is a coalition of physicians, hospitals, community clinics, local governments, dentists, nurses and other groups supporting California's Medical Injury Compensation Reform Act (MICRA) law which provides reasonable reforms on medical liability lawsuits to protect access to healthcare. MICRA provides injured patients unlimited compensation for economic damages (lost wages, medical costs), unlimited punitive damages, and up to \$250,000 for non-economic damages (pain and suffering).

"We were heartened by President Obama's remarks last night in the State of the Union address. President Obama rightly zeroed in on one significant driver of higher health care costs: frivolous lawsuits alleging medical negligence against medical providers. A September 2010 study found medical liability costs impact the federal health care system by \$55 billion annually. That is money better spent on patient care.

"Hopefully, this acknowledgment signals a willingness to look at California's successful Medical Injury Compensation Reform Act (MICRA) as a model at the federal level. MICRA has been successful in California at keeping costs associated with medical liability down, while ensuring patient access to care.

"MICRA fairly compensates patients injured due to malpractice, while also reducing incentives for trial lawyers to file meritless lawsuits against doctors, hospitals, community clinics and other healthcare providers alleging medical negligence.

"The law provides that injured patients receive unlimited economic compensation for past and future medical bills, past and future lost wages, and unlimited punitive damages. The law even provides for up to \$250,000 in non-economic compensation, also called pain and

suffering. Finally, the law sets a sliding scale for how much lawyers can collect in fees ensuring more money goes to patients, not to lawyers.

“Unfortunately, trial lawyers in California are trying to weaken the law and quadruple to \$1 million the reasonable \$250,000 limit on pain and suffering. Their goal is to file more lawsuits and get bigger payouts. But while their changes to the law certainly will net them more fees, more lawsuits also adds billions in additional costs to California’s healthcare system. Those costs will be borne by consumers, taxpayers, and negatively impact those most in need.

“In fact, a study by California’s former non-partisan state legislative analyst found that merely doubling the non-economic damages cap to \$500,000 will increase healthcare costs in California by \$9.5 billion annually. The trickle-down effect will be devastating. Healthcare premiums will increase. Fewer people will be able to afford insurance. Medical liability rates will go up and could force doctors, community clinics and other healthcare providers to cut back on services, pass the costs to their patients, or close their doors altogether. In all these scenarios, patients are the losers.

“More lawsuits do nothing to improve healthcare. They only enrich trial lawyers at the expense of everyone else who will pay higher healthcare costs and find access to healthcare services reduced.

“That’s why physicians, hospitals, community clinics, firefighters, nurses, local governments and business groups, including the California Medical Association, American College of Emergency Physicians – CA, American Congress of Obstetricians and Gynecologists, American Nurses Association - CA, Planned Parenthood Affiliates of California, California Hospital Association, California Dental Association, community clinics and health centers statewide, strongly support MICRA.”