Protecting Community Clinics and Health Centers

WHAT IS MICRA?

California’s Medical Injury Compensation Reform Act (MICRA) ensures injured patients receive fair compensation while preserving access to health care by keeping doctors, nurses and health care providers in practice and hospitals and clinics open. Without MICRA’s protections, many of California’s neediest populations could face reduced access to much-needed services.

California voters definitively rejected an attempt to quadruple MICRA’s non-economic damages cap in 2014. According to California’s former Legislative Analyst, increasing the MICRA cap would raise health care costs by approximately $11.4 billion annually, or more than $1,100 for a family of four.

CALIFORNIA’S COMMUNITY CLINICS AND HEALTH CENTERS PROVIDE CARE TO THE UNDERSERVED

- California’s safety-net providers serve millions of uninsured patients, the majority of whom are women and children. Cuts to Medicare, Medi-Cal and Denti-Cal reimbursement rates are already devastating to patients and health care providers.
- Changing MICRA will increase these clinics’ costs. Unable to shift higher liability insurance costs to their patients, community clinics and health centers will have no alternative but to care for fewer people.

MICRA STABILIZED LIABILITY COSTS FOR SAFETY NET PROVIDERS

- Prior to MICRA, out-of-control costs were forcing health care providers out of practice. MICRA was intended to, and has been successful in, stabilizing liability costs.
- MICRA is especially critical in protecting access to specialty and high-risk services, including women’s health care, community clinics, health centers and rural providers that can least afford skyrocketing costs.

CLINICS PROVIDING CARE TO THE UNDERSERVED WILL HAVE TO DIVERT FUNDS TO COMPENSATE FOR INCREASED LIABILITY COSTS

- Many community clinics and health centers in California are Federally Qualified Health Centers (FQHCs) and can receive medical liability coverage through the Federal Tort Claims Act (FTCA) at no cost.
- FTCA coverage is limited and does not cover all services, nor does it cover FQHC look-alikes, volunteers, part-time providers, or physicians who are on contract with the health center. Therefore clinics must buy “wrap-around” medical liability coverage for services not covered.
- Community clinics who do not receive medical liability coverage through the FTCA must buy all their liability insurance on the open market. MICRA helps keep those rates lower, preventing funds from being diverted from patient care.

MICRA is a crucial factor in keeping community health center administrative costs down which allow health centers to focus their limited resources on providing access to patient care in underserved areas.

Jason Vega, Interim CEO
Central Valley Health Network

ACCESS TO HEALTH CARE FOR THE UNDERSERVED WILL BE LIMITED IF MICRA IS CHANGED

- Community clinics and health centers are already operating on thin budgets.
- Any increase in costs would have to be offset by cuts elsewhere, possibly in reduced patient hours, cuts in medical staff, and cuts in services offered.