



## WHAT IS MICRA?

California's Medical Injury Compensation Reform Act (MICRA) was created in 1975 to avert a health care crisis. 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.

In 2022, stakeholders reached a legislative agreement to modernize MICRA while preserving its core protections. Assembly Bill 35 keeps MICRA's essential guardrails in place for patients and providers while also providing fair and reasonable increases to the established limit on non-economic damages for medical negligence cases.

## 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.
- There are 1,300 community health centers providing care to more than 7.7 million Californians every year. Preserving MICRA is essential to containing these clinics' costs.



## 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 keeps those rates lower, preventing funds from being diverted from patient care.



“MICRA is a crucial factor in keeping community health center administrative costs down, and as modernized, MICRA will continue to allow health centers to focus their limited resources on providing access to patient care in underserved areas.”

