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Savings from malpractice reform are a myth, study shows

Malpractice claims are not out of control and a damages cap would not result in big insurance savings for doctors and hospitals, according to a new study of malpractice insurance in New York state. The study comes as lawmakers across the nation are under pressure to enact tight restrictions on the rights of medical malpractice patients.

According to Joanne Doroshow, Executive Director of the Center for Justice & Democracy and co-founder of Americans for Insurance Reform, which commissioned the report, "The notion that either claims or premiums in New York State are out of

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control is the most sensationalized fiction driving these horrendous medical malpractice proposals. AIR's study refutes the principal basis for the argument that a \$250,000 'cap' on damages for injured patients will result in massive insurance 'savings' for doctors and hospitals."

Doroshow adds that the only public justification for the push to cap malpractice damages "is a one-line sentence in the Governor's Medicaid Redesign Team's Proposal 131, referencing Milliman," an insurance industry consulting firm that she says is discredited.

The AIR study, called "Medical Liability and Malpractice Insurance in New York State," examines over 30 years of New York insurance data to show that New York's insurance rate increases and decreases are not driven by the legal system or jury verdicts, and that the causes of and solutions to any insurance problems that exist here lie not with the legal system (i.e., capping damages) but with the business practices of the insurance industry.

The analysis was done by J. Robert Hunter, AIR co-founder, director of insurance for the Consumer Federation of America, and formerly the Commissioner of Insurance for the State of Texas and Federal Insurance Administrator under Presidents Carter and Ford.

The AIR study also found that:

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Inflation-adjusted payouts per doctor in New York State have been stable, have failed to increase in recent years, and are comparable to what they were in the early 1980s.

Inflation-adjusted premiums per doctor in New York State are among the lowest they have been in over 30 years, comparable to what they were in the mid-1970s.

The study concluded that there is absolutely no reason to further limit the liability of doctors and hospitals, who already benefit from numerous liability protections in New York State for their negligence.

Source: [Americans for Insurance Reform](#)

The complete study can be found [here](#).

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