



AMERICAN OSTEOPATHIC ASSOCIATION

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May 22, 2007

The Honorable Max Baucus
United States Senate
511 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Mike Enzi
United States Senate
379A Russell Senate Office Building
Washington, D.C. 20510

Dear Senators Baucus and Enzi:

As President of the American Osteopathic Association (AOA), I want to express our appreciation for your introduction of the “Fair and Reliable Medical Justice Act.” Your legislation takes an important step toward beginning a conversation on how to best stabilize the medical liability system and increase patient access to quality and timely health care. On behalf of the 59,000 osteopathic physicians represented by the AOA, thank you for your leadership on this important issue.

As you know, the nation’s medical liability system is broken. Over the past thirty years physicians have experienced a steady increase in liability premiums. According to the National Association of Insurance Commissioners (NAIC), between 1975 and 2002 medical liability premiums for physicians increased, on average, 750 percent. These premium increases are related directly to an explosion in medical liability lawsuits filed against physicians and hospitals and the rapid increase in awards paid out. The Government Accountability Office (GAO) confirms this. In a 2003 report, the GAO stated that losses on medical liability claims are the primary driver of increases in medical liability insurance premiums. Other studies have shown that on any given day there are 125,000 active lawsuits against physicians.

As a result of the current environment, many physicians struggle to find affordable professional liability insurance. The crisis also results in physicians reducing the types of services they offer their patients. Many physicians no longer provide services that are deemed high-risk, such as delivering babies, covering emergency departments, or performing certain surgical procedures. This crisis also impacts primary care physicians, especially those practicing in rural areas who are often the only physician practicing in a community. As a result, patients have seen a decrease in the availability of physician services.

The crisis also hurts the future physician workforce. Eighty-two percent of osteopathic medical students stated that the cost and availability of medical liability insurance would influence their future specialty choices, while 86 percent stated that it would influence their decision on where to establish a practice once their training was complete. This trend in career choices is disturbing and will have long-term impact upon the health care delivery system in the years ahead.

Your legislation provides grant funding for States to develop, implement, and evaluate alternative forms to the current tort litigation system. We applaud your decision to grant preference to those States that choose to involve health care providers in exploring and developing an alternative system. Once individual States and Congress begin evaluating the effectiveness of demonstration programs, we will move one step closer toward improving the broken medical liability system.

In addition, we appreciate your inclusion of health care providers as a required component of the Comptroller General's grant review panel. Medical liability reform remains a priority issue for the osteopathic profession. Like you, we are interested in continuing dialogue on this important issue. Exploring all options available to improve the medical liability system, some of which are included in your legislation, for patients and physicians alike is an appropriate step.

For over 130 years, the AOA has worked to improve the delivery of quality medical care, which is consistent with your bill. Again, thank you for your leadership. Please do not hesitate to call upon the AOA and our members for assistance on this and other health care issues.

Sincerely,

A handwritten signature in cursive script that reads "John A. Strosnider D.O." with a small flourish at the end.

John A. Strosnider, D.O.
President