

DEC 02 2010

MEMO



Senate of Pennsylvania

December 1, 2010

TO: ALL SENATORS

FROM: Stewart J. Greenleaf

Stewart

SUBJECT: Cosponsorship -- **Medical malpractice insurance legislation**

I am reintroducing two bills relating to medical malpractice insurance.

During past sessions the General Assembly passed legislation focused on providing relief to Pennsylvania health care providers who struggled with the increasing costs and the decreasing availability of medical malpractice liability insurance. The two bills listed below will continue the legislature's effort to help to make medical malpractice insurance more affordable for physicians.

Senate Bill 41 amends the Medical Care Availability and Reduction of Error (Mcare) Act to permit physicians to opt out of some or all of the mandated \$1,000,000 in medical malpractice insurance coverage. Patients would be made aware of the level of coverage maintained by health care providers when they sign a procedure consent form. Presently, if physicians do not carry \$1,000,000 in medical malpractice insurance, they lose their license to practice medicine. As a result of my legislation, physicians who opt not to carry \$1,000,000 in malpractice insurance would not be sanctioned with the revocation of their medical license.

Physicians should be allowed to buy malpractice insurance in the amounts that they need depending on their type of practice and in the amounts that they can afford. Physicians should not be forced to buy what they do not need and they cannot afford under the threat of licensure revocation.

Senate Bill 42 amends the Mcare Act to permit physicians to pay their annual Mcare Fund surcharge in four equal installments. Traditionally, the CAT Fund (now the Mcare Fund), by law, has required physicians to pay their surcharge in one lump sum. The only exception to this rule occurred when the General Assembly enacted 1996 Act 135, making numerous revisions to the Health Care Services Malpractice Act. For 1997 only, physicians were permitted to pay the surcharge in four equal installments. While it was only extended to physicians for one year due to the significant increase in the surcharge that year, I believe that physicians should continue to have the option of paying the Mcare Fund surcharge in four equal installments. This will help physicians better manage and budget for the payment of the surcharge.

If you would like to cosponsor one or both of these bills, please contact Pat Snively of my office by e-mailing her at psnively@pasen.gov and providing her with the bill number(s) from last session.