

# MedChi

*The Maryland State Medical Society*

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TO: The Honorable Dereck E. Davis, Chairman  
Members, House Economic Matters Committee  
The Honorable Peter A. Hammen, Chairman  
Members, House Health & Government Operations Committee  
The Honorable Heather R. Mizeur

FROM: Joseph A. Schwartz, III  
Pamela Metz Kasemeyer  
J. Steven Wise

DATE: March 2, 2011

RE: **SUPPORT WITH AMENDMENTS** – House Bill 924 – *Commission on State-Administered Medical Malpractice Liability Insurance*

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The Maryland State Medical Society (MedChi), which represents over 7,300 Maryland physicians and their patients, supports House Bill 924 with amendments.

House Bill 924 proposes the creation of a Commission on State-Administered Medical Malpractice Liability Insurance to consider alternatives to the present malpractice insurance system and to report its findings to the General Assembly by December of this year. The Commission would consider whether to adopt a Maryland system which would mimic the Federal Torts Claims Act (FTCA) which presently applies to doctors working for federally qualified health centers and which has a proven track record of providing cost effective but fair malpractice coverage.

One of the purposes of the Commission would be to qualify for the “demonstration grants” available under the Federal Patient Protection and Affordable Care Act. Such demonstration grants would be awarded to those states that develop, implement and evaluate alternatives to the current tort litigation system for resolving disputes.

One thing is crystal clear, as pointed out in the first Whereas clause of House Bill 924: “Medical malpractice insurance costs continue to create a barrier for health providers seeking to practice in this State...”

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MedChi doctors well remember the last malpractice crisis which resulted in a Special Session in 2005. The work product of the Special Session was extremely modest tort reform with generous state subsidies being paid to doctors so that they could afford their malpractice insurance. That crisis has now been weathered and the number of claims against doctors dropped dramatically shortly after that Special Session. However, it is fairly predictable that such a crisis will come again (there have been 3 since 1975). MedChi believes that the timing for the passage of House Bill 924 is particularly good. With the advent of federal health care reform, and the availability of federal money for “demonstration grants,” it would be foolish to pass up the opportunity represented by House Bill 924.

MedChi believes that there should be more physician representation than is currently provided in House Bill 924 and that certain additional items should be studied by the Commission. For example, MedChi believes that a Michigan-like “apology law” could dramatically reduce malpractice payouts as was experienced in that state. Moreover, MedChi believes that the increased use of binding arbitration presents an opportunity for cost-effective resolution and savings.

MedChi strongly supports the passage of House Bill 924 with appropriate amendments to incorporate the above mentioned changes.

**For more information call:**

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