

MedChi

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TO: The Honorable Joseph F. Vallario, Jr., Chair
Members, House Judiciary Committee
The Honorable Donald Elliott

FROM: Joseph A. Schwartz, III
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DATE: March 5, 2014

RE: **SUPPORT** – House Bill 930 – *Health Care Malpractice – Limitation on Noneconomic Damages*

The Maryland State Medical Society (MedChi), which represents more than 8,000 Maryland physicians and their patients, supports House Bill 930.

House Bill 930 reduces the Maryland cap on noneconomic damages for medical malpractice cases to \$500,000 from the present cap of \$740,000, effective for all cases arising after October 1, 2014.

The Maryland cap on noneconomic damages was established in 1986 at a level of \$350,000 and now has a built in escalator of \$15,000 per year. The current Maryland cap (\$740,000) is one of the highest in any state. Twenty-one states have specific caps on noneconomic damages and 9 of the 21 have adopted a \$250,000 cap. A number of states have an overall cap on damages.

The cap on noneconomic damages has been shown – in study after study – to have an ameliorating effect on medical malpractice insurance rights. One of the reasons for a cap on noneconomic damages is that pain and suffering and emotional distress are inherently subjective and there is no method to accurately calculate or measure how much money to pay someone for these items. On the other hand, loss of income from employment or the cost of nursing or custodial care or actual medical bills from hospitals, nursing homes and the like can be calculated and determined with reasonable accuracy.

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The medical malpractice insurance market in Maryland remains, at best, precarious. In the last few years the number of cases has been spiking up again and the severity of the average case remains quite high. High risk medical specialties, including surgeons and OB-GYNs often pay \$100,000 per year as an insurance premium.

House Bill 930, by reducing the cap to \$500,000 and discontinuing the annual escalator of \$15,000, will help the stability of the medical malpractice market and accordingly the access of all Maryland citizens to good and competent doctors. MedChi would urge a favorable report on House Bill 930.

For more information call:

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