

Is the Medical Malpractice Crisis Real? It is in Whatcom County!

By Linda McCarthy and Jeff Graham, M.D.

One of the greatest challenges to improving health care access in Whatcom County is the growing cost of medical malpractice insurance. Local physicians are experiencing an annual increase in rates of between 30% and 100%. Between 2002 and 2004 Madrona Medical Group (the community's largest multi-specialty group) saw a 136% increase in malpractice insurance premiums with *no* adverse claims.

The impact? Physicians are leaving practice and in particular obstetrics. Since January over 30% (13 family doctors) have stopped delivering babies because of high insurance costs. This is at a time when there is a need for new obstetrical physicians.

If there remain any doubters that this problem is real, Mt. Baker Family Medicine (MBFM), a community clinic located in downtown Bellingham, is the latest victim of this crisis. After spending six months trying to find insurance coverage for their doctors who perform obstetrics their final and only quote meant over a 300% increase from their prior year premium (from \$89,000 to \$325,000). The result is that MBFM is in the process of dramatically changing the way they do business and drastically restricting what services they provide including dropping obstetrics.

On September 1st as many as ten thousand people who have been patients at the clinic over the last 5 years will be forced to find another clinic. This will be especially difficult for the seventy percent of patients who are covered by Medicaid, Medicare or pay out-of-pocket. Efforts are under way to find a way to keep the doctors in the community and many Whatcom Alliance for Healthcare Access partners are at the table working on solutions to minimize the impact to this vulnerable population. But it isn't easy and in the end all those efforts won't increase access they may just minimize further erosion.

MBFM may be the largest local medical provider to be affected by the malpractice crisis but they certainly won't be the last unless we see meaningful reform.

There is great debate at all levels about why malpractice rates are escalating so quickly. Contributing factors include increased losses on claims, and low investment income for malpractice insurance companies, contributing to reinsurance rates increases.

Legislation seeking reform and relief fails year after year while rates continue to climb by double and triple digits. Special interests each present conflicting data confusing the situation even further and there appears to be no compromise on the horizon.

Understanding the myriad of factors causing these rate increases is a daunting task. A must read article for anyone trying to understand this problem is "Runaway Malpractice Verdicts: Cause and Effect," by Robert Feinburg and Robert Vaught. Their research confirms that 'jury awards in medical malpractice cases have soared over the last ten

years. In one year, between 1999 and 2000, jury awards in medical malpractice cases jumped over 40%.” High jury awards result in high malpractice renewal rates and the cycle continues.

The article points out one possible root cause of these increases in an indirect way – “people are frustrated with healthcare today.” That is most likely an understatement. Whether you are an employer trying to find affordable coverage for your employees, or a patient trying to access the system, all are frustrated with healthcare. If you asked doctors their opinion, they, too, are frustrated with a system, which leaves them little time to spend face-to-face with the patient because the paperwork requirements of every visit (both at the visit and after the visit) become so burdensome.

The pressure for health care reform continues to build but the Whatcom Alliance for Healthcare Access is working on medical malpractice liability reform as one of the first steps to help keep physicians in practice and our community healthy.

The Alliance is working with our state and federal elected officials to form a work group to study how other states have stabilized their medical malpractice insurance rates. Options include changing the system of how legitimate claims and damages are addressed to capping non-economic damages. The groups charge is to evaluate best practices around the country and pursue a variety of alternatives to develop a viable medical malpractice solution for Washington State. The solution must address the rising medical malpractice rates that affect healthcare access while addressing patient safety concerns. The Alliance’s goal is to have an effective bipartisan proposal in place by the next Washington State legislative session. It is a challenging goal but one worth pursuing and one that our local representatives, regardless of their party affiliation, are willing to join.

For more information on this effort and others to improve healthcare access in Whatcom County contact the Whatcom Alliance for Healthcare access. Check out our web site at www.whatcomhealthalliance.org or call the St. Luke’s Foundation at (360)671-3349 and they will forward your questions or comments.

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