# PENNSYLVANIA'S MEDICAL LIABILITY CRISIS

Pennsylvania is home to the worst medical liability climate in the nation. The threat of nuclear verdicts and soaring liability premiums put every hospital in the state in jeopardy.

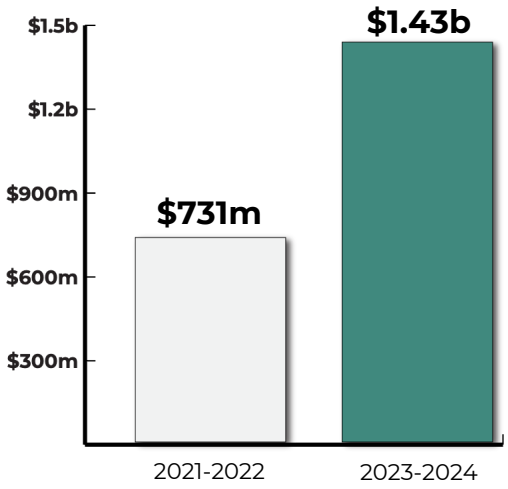
A recent survey of Pennsylvania's hospitals shows the need for reform.

## By the Numbers

Pa.'s medical liability climate moves hospital dollars away from patient care, community investment, and innovation:

- **$1.1B+** held in reserve for liability insurance
- **$75M** spent per hospital on outside lawyers annually
- **$14M** average payout per verdict (up 4x since the pandemic)

*Pa. Hospitals' Liability Payouts*




Annual payouts have doubled since 2021.

## How the Medical Liability Climate Affects Pa. Health Care

*Feedback from hospital and physician community*

### Workforce

- Difficulty recruiting and retaining physicians in high-risk specialties
- Unsustainable premiums for doctors, hospitals
- Defensive medicine (more unneeded tests)
- Physicians trained in Pa. head elsewhere

### Access to care

- Service line or facility closures due to nuclear verdicts
- Shortages of OB/GYN and birthing centers
- Lost access to specialty providers (radiology, advanced practice providers)
- Dollars moved away from community care to outside counsel

## The Cost of Being #1

**$43**
Spent per resident on medical liability payouts, **the highest in the nation**

**130%**
Increase in annual payouts since 2021

**90%**
Of hospitals have increased catastrophic coverage

**$122,906**
Cost for OB/GYN malpractice premiums per physician in southeast Pa.


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# HAP Advocacy: 4 Simple Steps for Reform

Pennsylvania's medical liability climate puts birthing centers, surgical specialties, and other complex care at risk. HAP is calling for common-sense reforms that ensure a fair process for resolving medical liability claims, while protecting access to high-quality care. These practical solutions keep providers in Pennsylvania and restore balance to our medical liability system.

## 1. Ensuring Fair Payments in Liability Cases

**The issue:** The 2011 Fair Share Act ensured hospitals and other large employers were not solely targeted in multi-party civil cases based on their ability to pay damage awards.

Recent court cases have rolled back these clear protections, determining juries cannot assess damages across multiple parties.

**The solution:** Damages should correspond with the degree of fault. This solution ensures responsible parties pay their fair share based on their responsibility in the case.

## 2. Protecting Peer Review

**The issue:** Peer review is a bedrock principle of patient safety, ensuring physicians uphold a consistent, high standard of care.

The information disclosed during this process must be protected, allowing clinicians to participate without fear that the review will be used as evidence in civil cases.

**The solution:** Lawmakers must reinforce privacy protections and confidentiality during the peer review process, so physicians can participate without concern of reprisal or discovery.

## 3. Clarifying Interest Payments

**The issue:** Judgments in medical liability cases can be tens of millions or even hundreds of millions of dollars. Hospitals can be charged interest on these payments—even before a payment is due.

**The solution:** Jury awards should not be assessed interest before a payment is due. Interest payments can be in the millions for certain awards and impact hospitals' ability to deliver care and core services.

## 4. Addressing Verdicts that Put Care at Risk

**The issue:** Pennsylvania judges have a mechanism—Remittitur—to address verdicts so large they put community health care at risk. The criteria to begin this process lacks clarity.

**The solution:** Defining the Remittitur process will give judges clear guidance on when they can use this tool to address verdicts that threaten access to care.

## Call to Action

HAP and Pennsylvania's hospitals are calling for your support of these straightforward solutions that will protect access to care in Pennsylvania and improve our medical liability climate.

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