

MEMORANDUM

TO: All Members of the House of Representatives

FROM: Representative Thomas A. Tangretti

DATE: January 28, 2005

SUBJECT: State run medical malpractice insurance program


Prior HB458

I will soon be introducing legislation that would guarantee access to affordable medical malpractice insurance to all health-care providers in Pennsylvania using a state-run medical malpractice insurance fund.

My legislation will restructure the state's Medical CAT fund to provide both primary and catastrophic coverage to physicians in Pennsylvania. The Medical CAT fund already has the structure in place to implement and administer this program. The state fund would not have to return profits to investors, pay commissions to brokers and sales agents, pay taxes, pay for marketing, or bear most of the others costs that contribute to higher premiums in the private market.

A state fund would provide coverage and handle claims less expensively than private insurers and would insulate the availability and affordability of malpractice insurance from private market forces. Malpractice premiums would not be subject to the wild fluctuations Pennsylvania's physicians currently see because of the industry's history of slashing premiums during good times to gain market share, then going bankrupt or hiking premiums many times over when the market is poor.

In previous legislative sessions, the General Assembly passed many important bills which have begun to improve the medical malpractice situation in the Commonwealth. Lowering the amount of coverage doctors must carry, tort reform and better patient protection are all part of the answer, but they along won't solve the existing problem and as importantly, won't help us avoid new crises in the future as a result of inevitable market fluctuations. I believe we need to break this continuing cycle and my legislation is one important piece of the puzzle which will finally bring continued stability to the medical malpractice insurance market.

 If you are interested in co-sponsoring this legislation, please contact Denise Milus at 3-5963 or dmilus@pahouse.net.