



The Need for Professional Liability Reform

WHEREAS, Illinois is experiencing an unprecedented medical liability crisis that is causing serious access to care problems throughout the state;

WHEREAS, The American Medical Association recently named Illinois as one of 18 "crisis" states. According to the Illinois Hospital Association, malpractice insurance costs for Illinois hospitals have gone up an average of 84% in the past two years;

WHEREAS, rising judgments, resulting in soaring rates, and a shrinking market for medical liability insurance are causing doctors to leave their businesses, limit their practices or move to states where insurance is available at a lower cost. For hospitals, this compounds current financial burdens, contributes to difficulties in physician staffing and the hospital's ability to provide a full range of services for their patients and communities;

WHEREAS, escalating professional liability insurance costs are adversely impacting the ability of Ann & Robert H. Lurie Children's Hospital of Chicago to effectively care for its patients and attract talented and capable physicians;

WHEREAS, since 2003, the cost of professional liability coverage for the medical center and its faculty physicians has nearly doubled to over \$24 million. This amounts to \$258 for every one of the 113,000 children served in fiscal year 2007; and

WHEREAS, this increase in costs has a direct and dramatic impact on the ability of the Medical Center to serve Illinois' children. As with every health care facility in the United States, Ann & Robert H. Lurie Children's Hospital of Chicago faces constrained growth in revenues due to managed care and under reimbursement by the Medicaid program. Reductions in philanthropy due to economic conditions and increased costs resulting from the shortage in skilled nurses and higher equipment costs also impact its income. The increase in the costs of professional liability insurance on top of these other pressures threatens our ability to serve all children whose families seek our care.

LET IT THEREFORE BE RESOLVED: That Ann & Robert H. Lurie Children's Hospital of Chicago engage in policy initiatives that support action and enact meaningful professional liability reforms, including large graduated caps on non-economic damages based on injury severity which range from \$500,000 to \$2 million for hospital-based liability, and \$250,000 for liability involving individual physicians, in order to restore predictability to the medical tort system and stabilize liability premiums. These reforms do not limit patients' rights to seek compensation for all economic damages (covering medical bills, care, and loss of income) due to medical negligence.