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Doctors: Malpractice system hurts

Rising insurance premiums make it difficult to recruit doctors to Upstate.

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Doctors are hoping to get Gov. David Paterson and state legislators to fix the state's medical malpractice insurance system when they return to Albany Tuesday for a special session.

Dr. Richard Waldman of Syracuse, who heads the New York State District of the American College of Obstetricians and Gynecologists, said the governor's office has been working on proposed legislation in recent weeks that would provide short-term relief for doctors and avert another sharp increase in medical malpractice insurance premiums.

Rising malpractice premiums are making it difficult to recruit doctors to Upstate New York, he said. Long Island College Hospital, in Brooklyn, recently announced it will close its maternity unit because of soaring malpractice costs.

The state normally adjusts malpractice insurance rates July 1. But state Insurance Superintendent Eric Dinallo recently delayed setting new rates to allow more time for negotiation of reforms that could possibly lead to reduced rates.

Former Gov. Eliot Spitzer established a task force last summer to pinpoint causes of high medical malpractice costs and propose solutions. The task force has not met since December and the issue languished after Spitzer's resignation in March.

The system's biggest problem is a deficit-ridden medical malpractice insurance reserve fund used to insure the state's riskiest doctors. Former Gov. George Pataki's administration took \$691 million from that fund and put it in the state's general fund. Dinallo has threatened to impose a surcharge on doctors to replenish that reserve fund unless the Legislature comes up with another solution.

The state could replenish that fund by imposing a small surcharge on all property-casualty and health insurance premiums in the state, according to Joanne Doroshov, executive director of the Center for Justice and Democracy, a consumer group. She served on the medical liability task force. "It would be barely noticeable in most people's premiums," she said. It also would eliminate the need to impose a costly surcharge on doctors, she said.

Paterson's office would not say what specific options are being considered. "It is under active consideration and it has been for the past few months," said Morgan Hook, speaking for Paterson.

Waldman said Paterson's office is considering a proposal to lower the level of malpractice coverage doctors are required to carry from \$1.3 million to \$1 million.

Addressing the deficit and lowering the required level of coverage could reduce malpractice rates by as much as 17 percent, Waldman said. Without the changes, doctors would see increases of about 11 percent, he said. Rates went up 14 percent a year ago.

The uncertainty over rates is creating problems for doctors, Waldman said.

"We are running businesses and don't know what the overhead is," he said. "We need to make sure we get a quick answer so people can understand whether they have to close their doors or not."

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