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## **Malpractice insurance rate hike put on hold**

Doctors had expected increase today; official says state now negotiating for changes in system

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ALBANY -- New York state plans to take another shot at overhauling the medical malpractice system following news that a task force assigned to deal with the issue hasn't met in months.

The decision, announced Monday by Insurance Superintendent Eric Dinallo, means that, for now, physicians won't see the insurance rate hike they had expected to be hit with today.

Dinallo, in a brief news release, said he is holding off rate hikes "to allow time for the negotiation of reforms that have the potential to result in reduced rates."

Any rate changes that are decided for the 2008-2009 period, he said, will be retroactive to today.

Dinallo gave no other details. His office would not say who the state is negotiating with.

The announcement followed a report in the Times Union on Monday that the Medical Malpractice Liability Task Force, set up last August to look at possible fixes for the system, broke down in December after some members pushed for changes that would benefit their interests. The panel included more than two dozen representatives of insurers, physicians, hospitals, lawyers, consumers and the state. There were also questions about whether there really is a malpractice crisis.

The crisis, as the state and insurers describe it, is a deficit among malpractice insurers as high as \$1.5 billion by some accounts. The number is an estimate of future liabilities for court judgments and settlements that have not yet happened. Some say it is exaggerated.

The deficit did not always exist, but was created after the state raided a surplus built up by an assigned risk pool of doctors who are harder to insure. The surplus was used to cover the future liabilities on paper.

Dinallo's announcement also came the same day that a half-dozen consumer and government watchdog groups wrote to him and said it is a "myth that medical malpractice costs are inflating at extraordinary, unaffordable rates."

They submitted a report suggesting that malpractice costs are generally following the increase in the price of medical care. The report also showed that since 1975, insurers have regularly collect millions of dollars more than they paid out each year, with the difference reaching \$500 million last year.

The groups called on Dinallo to "permit an open, public debate of these issues so that the best interests of doctors and the rights of patients are protected."

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