

New York Doctors Frustrated Over Malpractice Insurance Hike

A 14 Percent Increase a Temporary Fix -- With Possible Lasting Ramifications

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New York State approved a 14 percent increase in the price of medical malpractice insurance Wednesday -- a step the state's government admits is aimed at temporarily fixing a broken system.

The New York State Insurance Department, which sets malpractice coverage rates for the state, justified the increase by saying that while it would be difficult for doctors to pay, it was a necessary step to avoid "perhaps an irreversible crisis" for insurers in the state. "After years of failing to confront the fundamental problems that have led to this current environment, we have inherited the worst of both worlds -- physicians who cannot afford to practice medicine, and insurers whose financial condition is rapidly eroding," said Eric Dinallo, the state insurance superintendent. "The cause is high medical liability costs, and this administration is going to address it."

After announcing the rate hike, Gov. Eliot Spitzer appointed a committee to look into the causes of the high cost of insuring against medical malpractice.

"Due to years of inaction, the medical malpractice insurance market has reached a crisis level," he said. "This administration will not turn a blind eye to this situation. We will tackle this problem head on."

Hikes Threaten Practices

Doctors are concerned about how the rate hikes will affect their practice.

"The way medicine is structured, your income really depends on how many operations you do," said Dr. Roger Hardl, a neurosurgeon at New York Presbyterian Hospital. "That means that you are put into a position where you have to operate more. I'm not sure that's in the best interests of the public. I'm not sure that's in the best interests of practicing good medicine."

Hardl blames the problem on the lack of a cap for medical malpractice lawsuits in New York state.

He also said he has neurosurgeon colleagues who have given up operating on the brain entirely, focusing on the spine, an area of practice where they don't face such hefty lawsuits.

Dr. Steven Goldstein, who practices obstetrics and gynecology at the New York University School of Medicine, sees the rate hike as a small part of a large problem. "There's nothing unique about New York, and there's nothing unique about this year, and it's a very sad thing," he said. "There's been a 'malpractice crisis' for as long as I can remember."

Indeed, malpractice insurance premiums appear to be increasing across the board. According to a June 2005 study published in the journal *Obstetrics & Gynecology*, doctors can expect to pay \$250,000 or more every year on malpractice insurance premiums, depending on their specialty and the state in which their practice is based. And costs are on the rise throughout the nation. Study author Scott Ransom and colleagues at the University of Michigan School of Public Health noted that rates in major metropolitan areas rose sharply in some areas between 2003 and 2004 -- such as in Dade County, Fla., where average premiums rose from \$249,000 to \$277,000, an increase of about 11 percent.

Or Cook County in Illinois, in which average premiums jumped about 67 percent from \$138,000 to more than \$230,000 during the same time period. Rising rates seem to take a particular toll on the obstetrics and gynecology field. Though there may be many reasons for this, some doctors suggest it could be due to high expectations on the part of expecting parents -- and subsequent litigation when outcomes don't match their hopes.

Goldstein said he doesn't think that insurance underwriters for medical malpractice are benefiting heavily from the increases, but that their cost for providing malpractice coverage is increasing as well.

"The system is broken, and nobody seems to want to take the true initiative to fix it," said Goldstein.

But according to its governor, New York State is going to try with its new commission, which will report on the malpractice issue by the end of the year.

David Neustadt, a representative for Dinallo, said the committee had not yet determined what direction it would take in evaluating the problem. "It's not helpful for me to speculate on what solution they will eventually develop," he said.

For Goldstein, that solution is critical.

Among the detriments of malpractice lawsuits, he points to a decrease in the number of physicians in the United States, as some doctors have to close up their practices and potential doctors will choose career paths elsewhere.

"Some of your best and brightest don't want to be doctors anymore," Goldstein said.