

Medical Society opposes malpractice hike

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The New York State Insurance Department said a 14 percent increase in medical malpractice rates was necessary "to avoid further financial deterioration" of insurers.

The statewide Medical Society, however, claims the hike will "throw gasoline on an already raging fire."

What both sides agree on is the formation of a task force to study the forces behind high medical malpractice rates and recommend short- and long-term remedies, including risk management, legal reform and regulatory changes.

The task force, to be headed by Insurance Superintendent Eric Dinallo, would include state Health Commissioner Richard Daines and representatives of hospitals, physician practices, malpractice insurers, health plans, consumer groups, trial lawyers and the state Legislature.

Dinallo said that without the 14 percent rate increase, coupled with a comprehensive effort to understand the underlying issues, the medical malpractice insurance industry would "continue to deteriorate into crisis -- a spiraling effect that could drive insurance companies out of business and fail to attract new ones into the marketplace, forcing doctors out of New York."

The hike is lower than what insurance companies had requested. The medical malpractice market in the state is dominated by two companies, Medical Liability Mutual Insurance Co., with about 60 percent of the market, and Physicians Reciprocal Insurers, with about 20 percent market share. Medical Liability Mutual had requested a 16.6 percent increase. Physicians Reciprocal asked for a 30.6 percent raise. Last year, rates went up 9 percent.

The Medical Society, however, said the 14 percent increase will "severely worsen the health-care access crisis that has already resulted in shortages in several specialties all across New York state."

The group said it will step up its campaign to educate the public about the threat of limited access to care if the state fails to rein in its "out-of-control medical liability adjudication system."