

WISCONSIN STATE
LEGISLATURE
COMMITTEE HEARING
RECORDS

2005-06

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on
Insurance
(AC-In)

(Form Updated: 11/20/2008)

COMMITTEE NOTICES ...

➤ Committee Reports ... CR

**

➤ Executive Sessions ... ES

**

➤ Public Hearings ... PH

**

➤ Record of Comm. Proceedings ... RCP

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**INFORMATION COLLECTED BY COMMITTEE
FOR AND AGAINST PROPOSAL ...**

➤ Appointments ... Appt

**

Name:

➤ Clearinghouse Rules ... CRule

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➤ Hearing Records ... HR (bills and resolutions)

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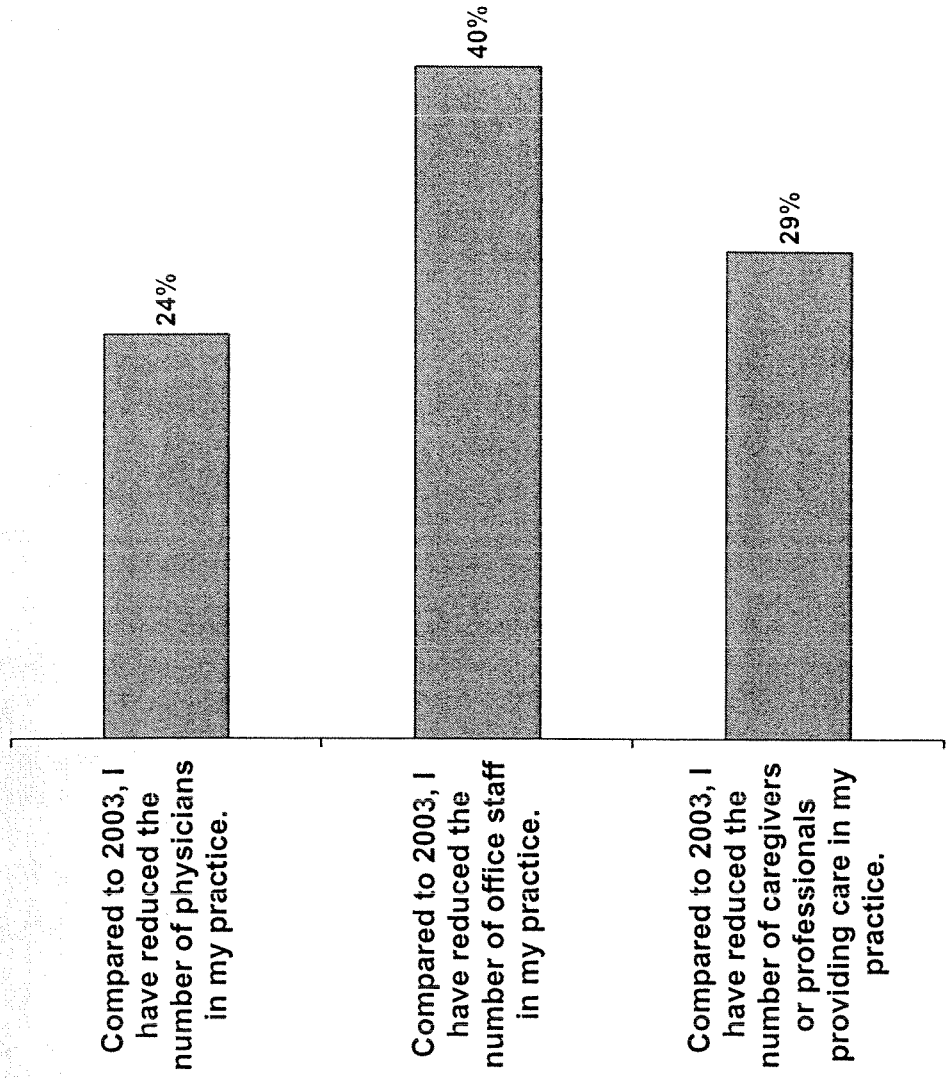
➤ Miscellaneous ... Misc

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(misc. 2005 documents)

A full 40% of physicians have reduced their office staff since 2003 due to costs of malpractice insurance. In addition, roughly one quarter have also reduced the number of caregivers/professionals as well as the total number of physicians in the practice.

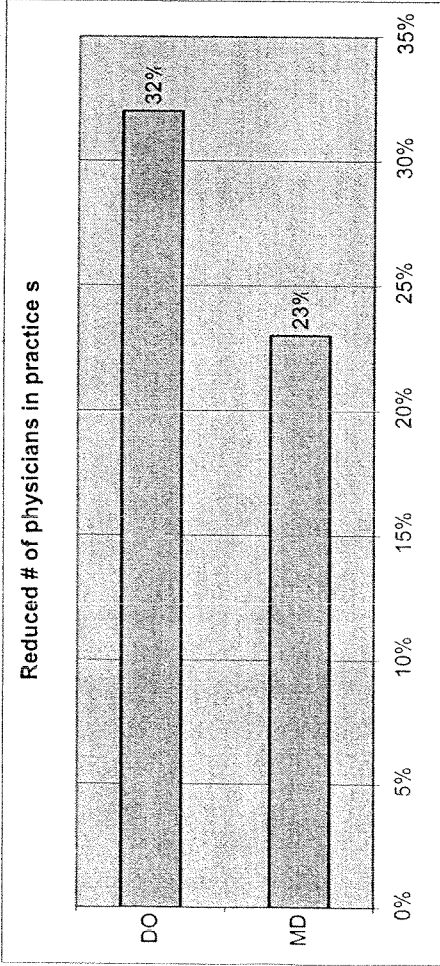
Practice Size



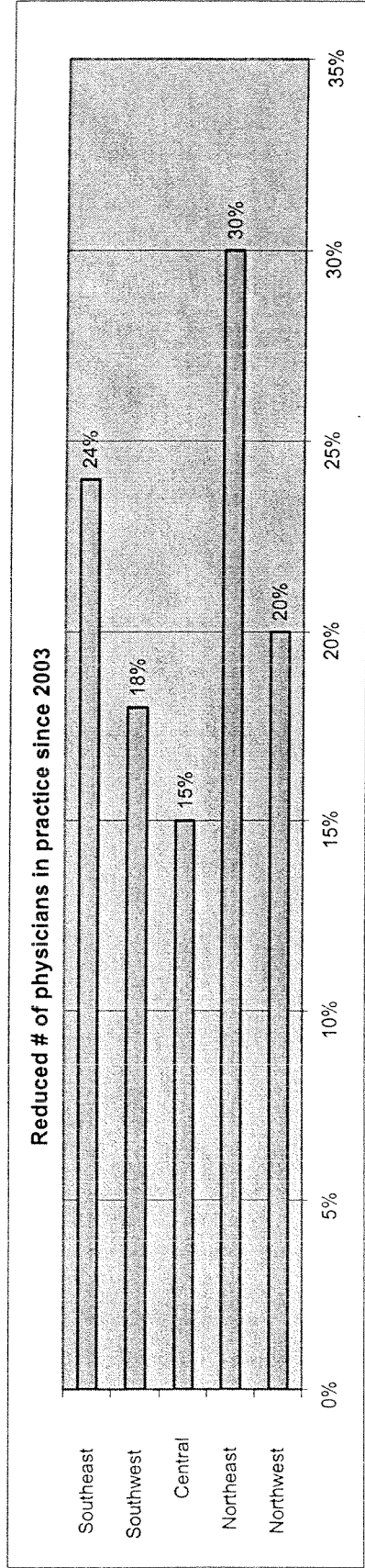
% Agree and Strongly Agree

Northeast Ohio is particularly affected by physician staff reductions. DOs have decreased physician staff more than MDs.

Practice Size Specifics – Reduction in # of Physicians

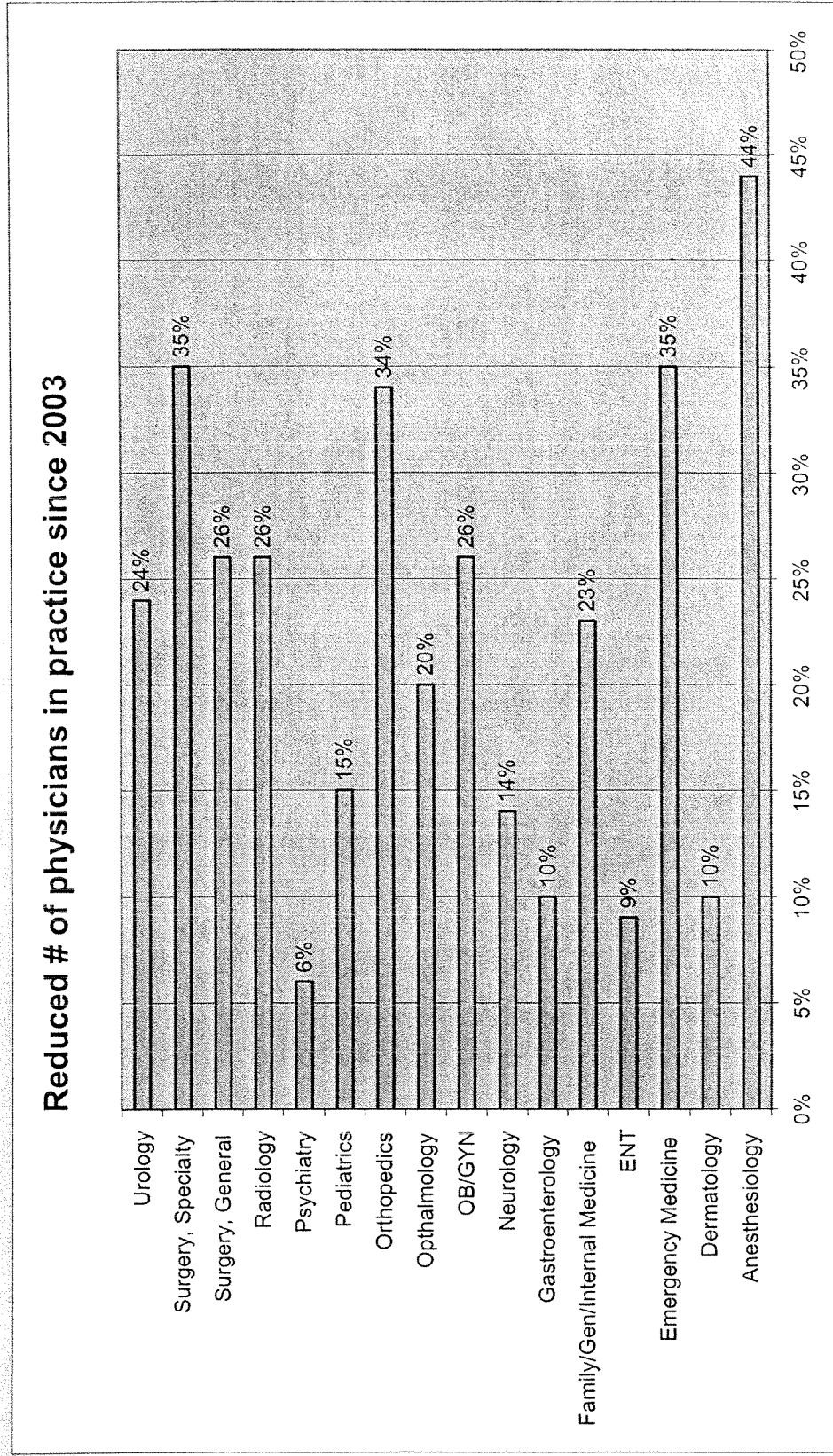


- I have consolidated offices and laid off employees and physicians.
- I cannot afford to hire a needed part-time physician.
- I am unable to get physicians to come to or stay in Ohio.
- I was not able to hire another physician because of concerns about "tail" coverage if they did not stay with the practice.
- I have limited the number of physicians doing obstetrics on my staff.



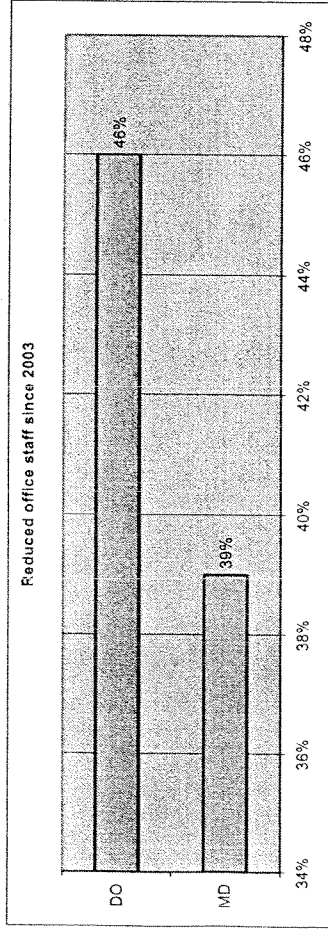
Greatest staff reductions are in high-risk physician specialties such as Orthopedic, Specialty Surgery, Anesthesiology and Emergency Medicine practices.

Practice Size Specifics – Reduction in # of Physicians



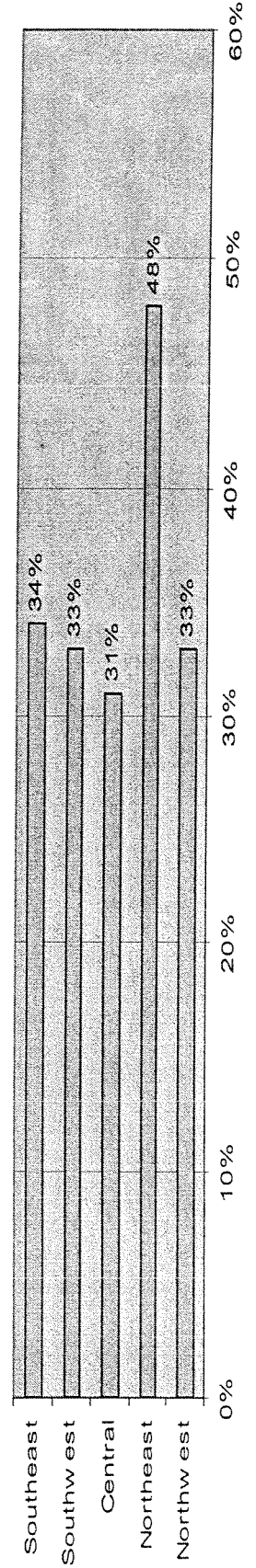
As with physician reductions, Northeast Ohio has experienced the greatest number of office staff reductions. DO practices have reduced staff more than MDs.

Practice Size Specifics – Reduction in # of Office Staff



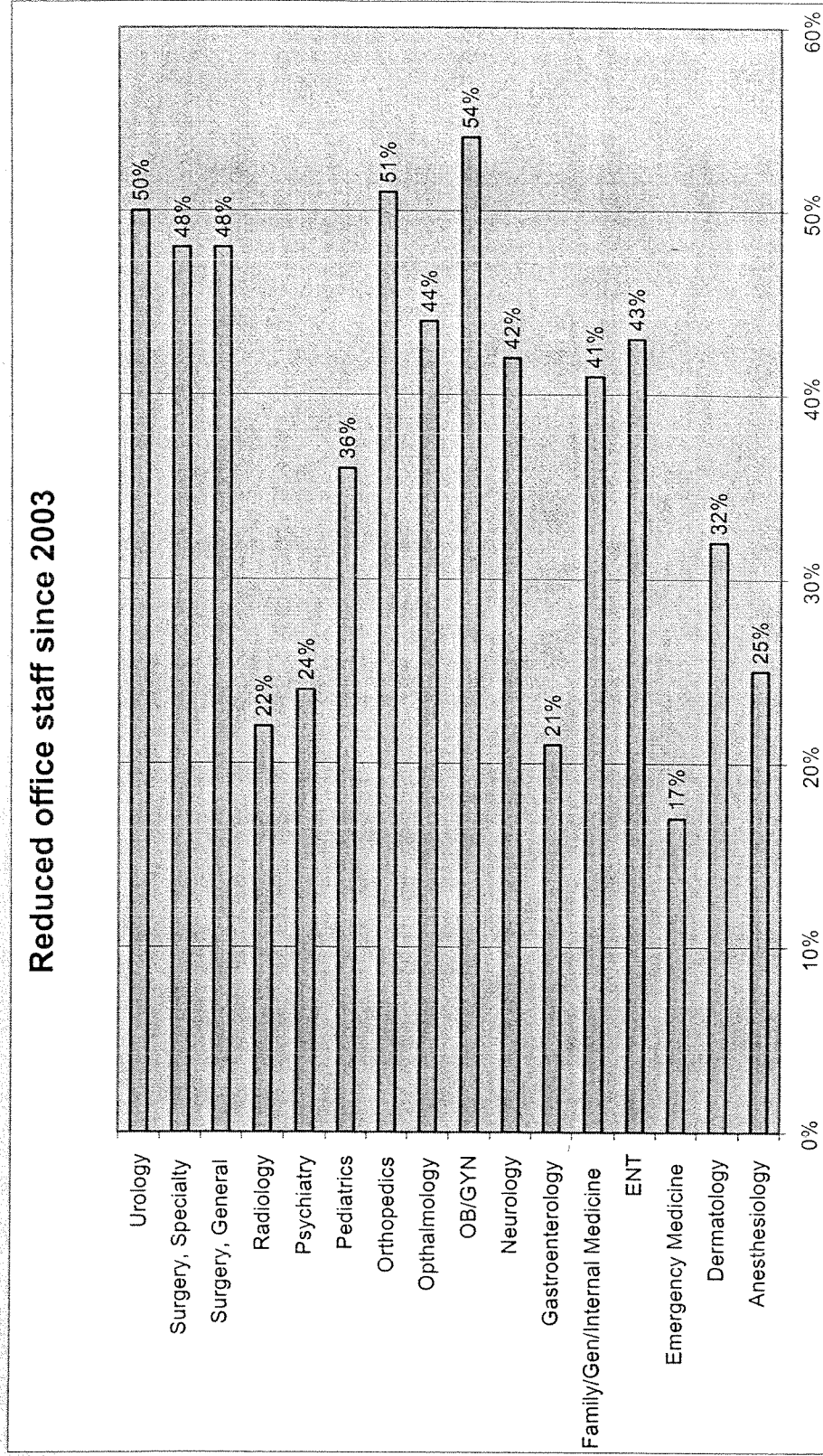
- I cannot offer raises because the rising costs of insurance consume profits.
- We are unable to update equipment or hire new personnel.
- I have decreased office staff, had to obtain loans, and may have to quit private practice altogether.
- I have fewer funds to do other things in my practice like give bonuses, capital investment, and health insurance.

Reduced office staff since 2003



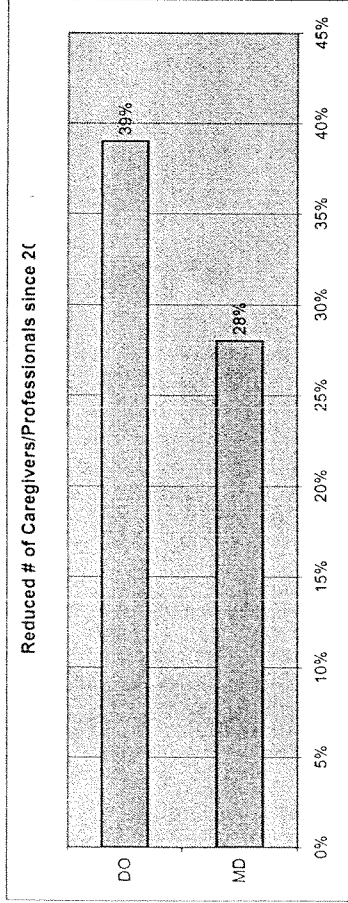
Orthopedics and OB/GYN have experienced the highest reductions in staff – with more than half of all these practices having laid off staff since 2003.

Practice Size Specifics – Reduction in # of Office Staff

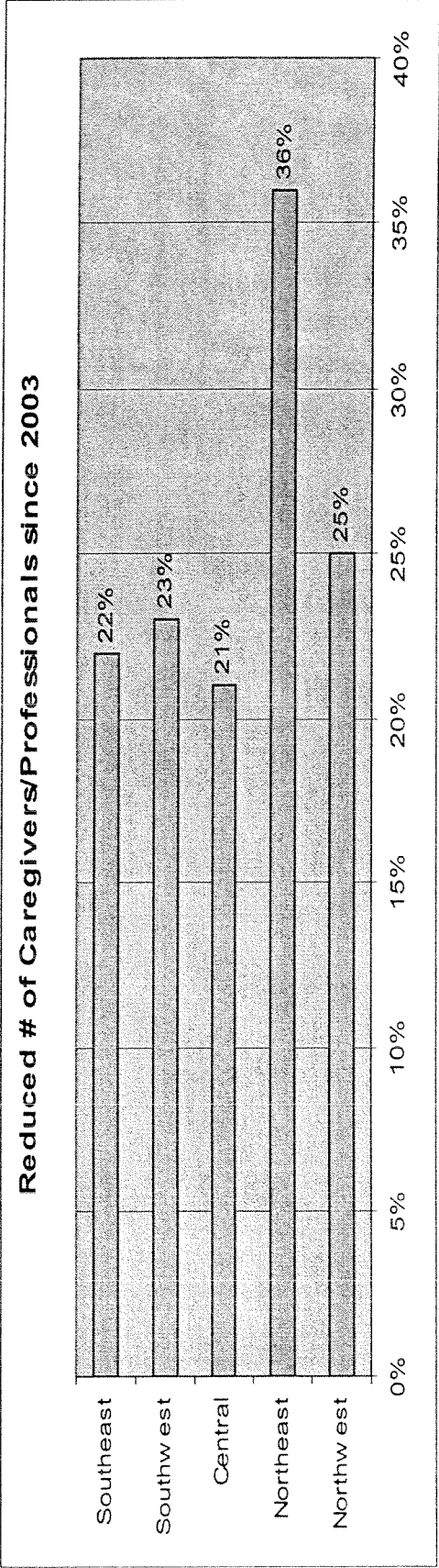


The Northeast has also led Ohio in the greatest number of Caregivers/Professionals terminated since 2003. DOs have experienced greater layoffs than MDs.

Practice Size Specifics – Reduction in # of Caregivers/Professionals

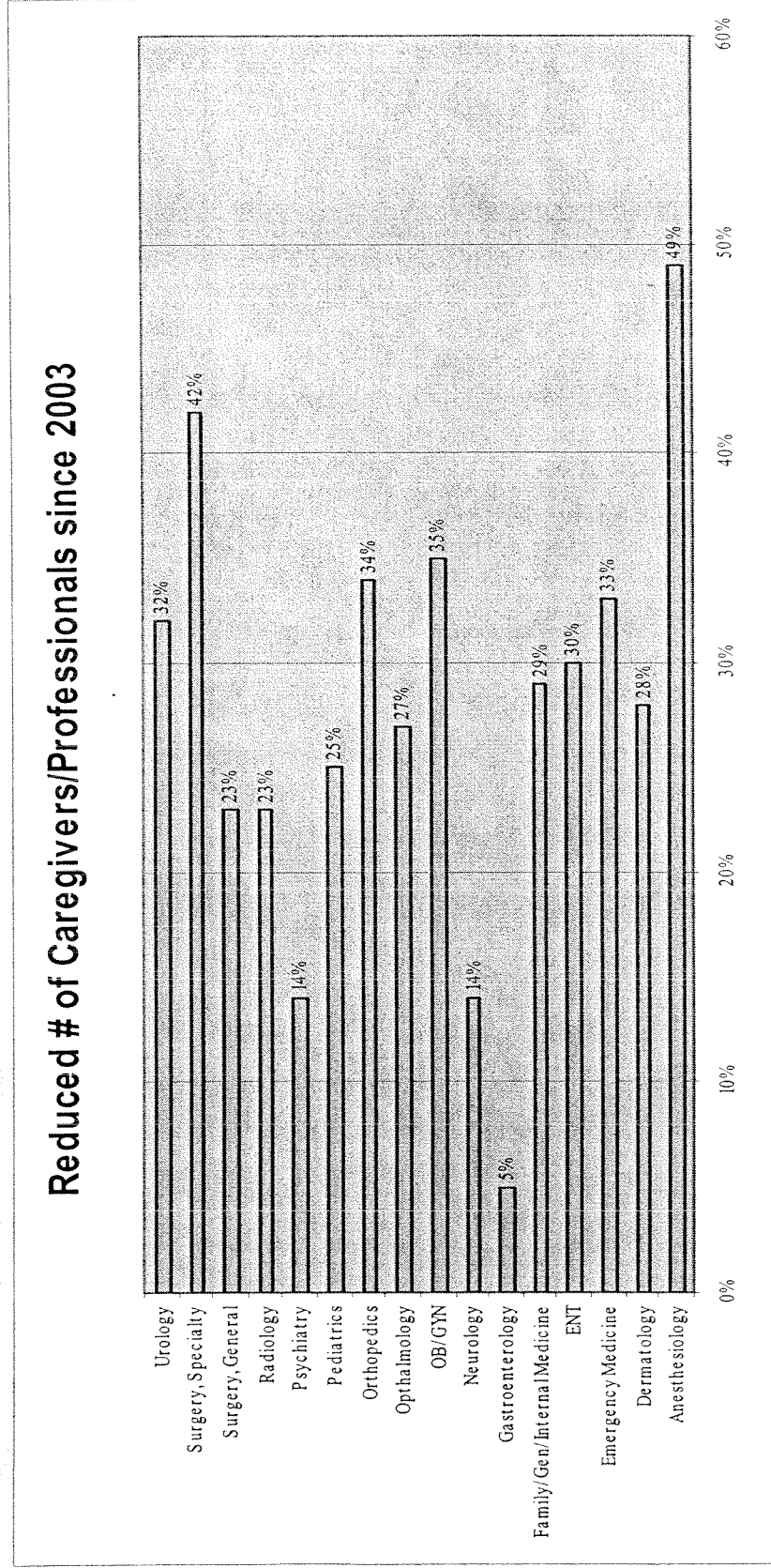


- I laid off a nurse practitioner and clerical staff.
- We are all one step from catastrophe, meaning the next rate increase. We may close our satellite offices to decrease our overhead, which would decrease access.



Anesthesiology and Surgery specialties have experienced the greatest reduction in the number of Caregivers and Professionals on staff.

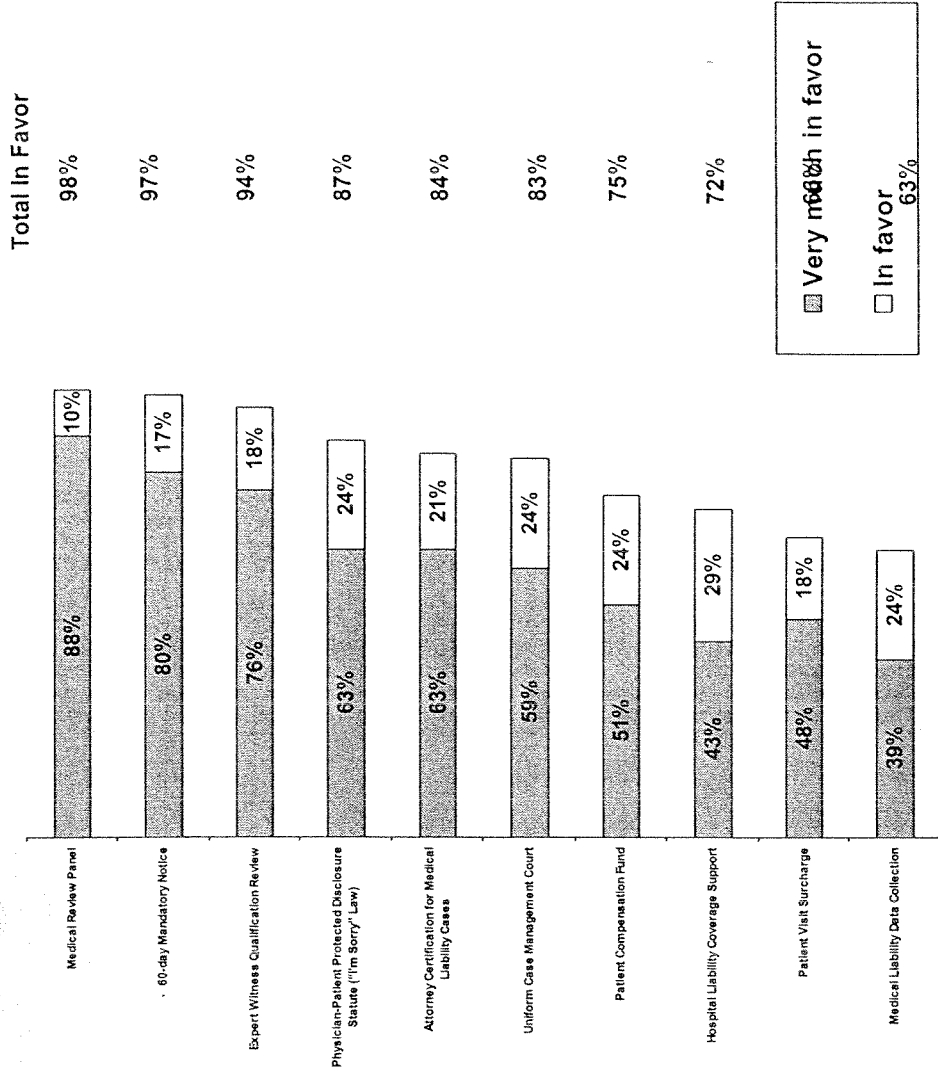
Practice Size Specifics – Reduction in # of Caregivers/Professionals



Potential Solutions to Situation Favored by Physicians

Overall, physicians were in favor of all the proposed measures to address rising medical malpractice insurance costs. The most preferred solutions include developing a medical review panel to determine whether a case has merit, requiring a mandatory 60-day notice if a policy is to be cancelled and requiring plaintiffs to submit a “certificate of expert review” for their witnesses.

Proposed Measures to Stabilize Medical Malpractice Insurance Premiums

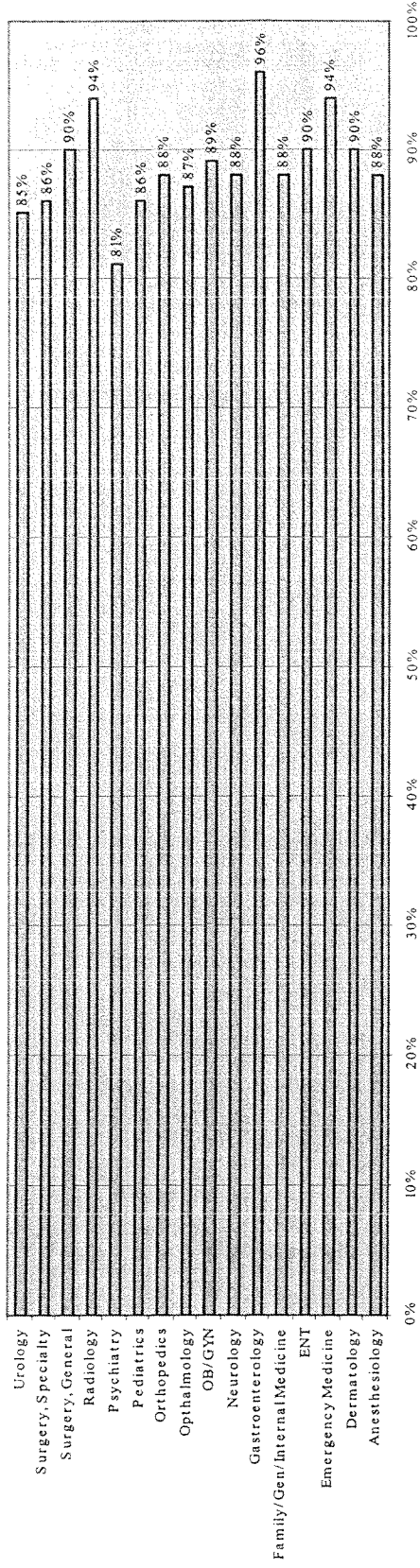


Definitions of Proposed Measures to Stabilize Medical Malpractice Insurance Premiums

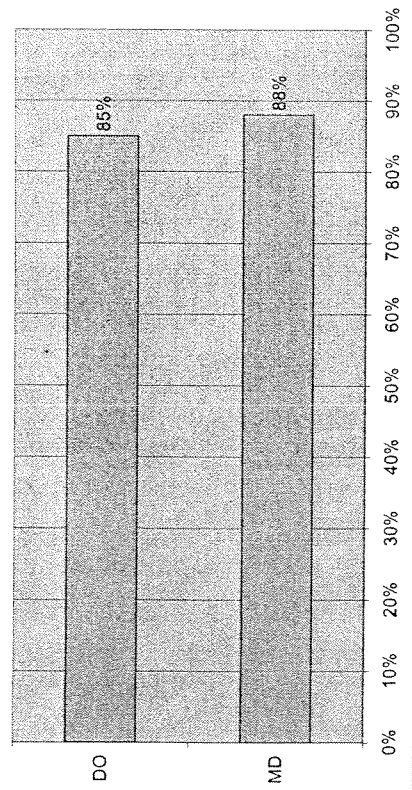
- **Medical Review Panel:** A panel of experts screens medical liability cases, prior to them being submitted to court, to determine whether the case has merit.
- **60-day Mandatory Notice:** Requires medical liability insurance companies to provide physicians with a 60-day notice if their policy is being cancelled or non-renewed or if they are receiving a significant premium increase.
- **Expert Witness Qualification Review:** Requires the plaintiff to submit a "certificate of expert review" confirming that each medically related expert witness is qualified to serve as an expert witness.
- **Physician-Patient Protected Disclosure Statute ("I'm Sorry" Law):** Allows caregivers to express apology, sympathy, and condolence that cannot be used as evidence of an admission of liability.
- **Attorney Certification for Medical Liability Cases:** Encourages the Supreme Court to adopt a certification program for attorneys handling medical liability claims.
- **Uniform Case Management Court:** Establishes a medical claims court.
- **Patient Compensation Fund:** Health care providers obtain primary medical malpractice insurance from private insurance companies in an amount required by statute. Coverage in excess of the primary insurance is provided by a state fund.
- **Hospital Liability Coverage Support:** Hospitals lower the dollar amount of liability coverage practicing physicians must carry to perform certain procedures.
- **Patient Visit Surcharge:** Patients are charged an additional \$5 to \$10 more per office visit to help defray rising medical malpractice costs.
- **Medical Liability Data Collection:** Statute requiring medical liability insurance companies to report claims data to the Ohio Department of Insurance.

Physicians all appear to be strongly in favor of a Medical Review Panel – there are no significant regional or specialty differences.

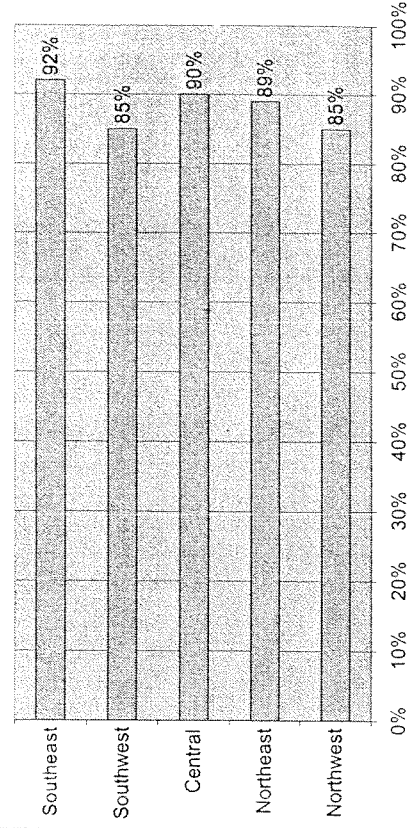
% Very Much in Favor – Medical Review Panel



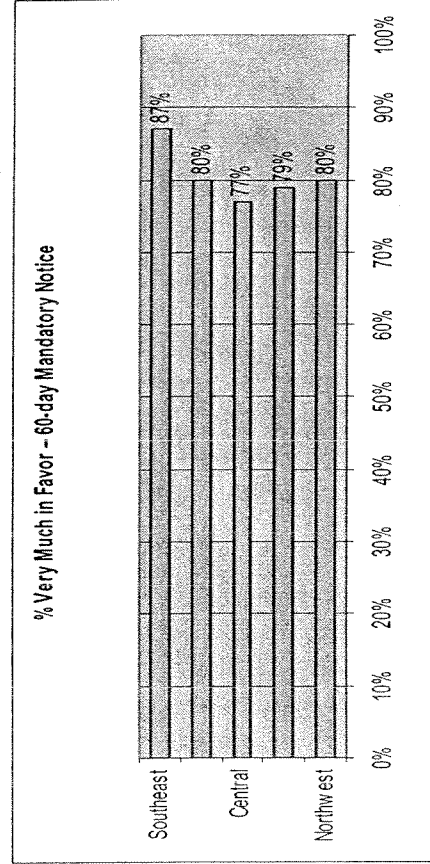
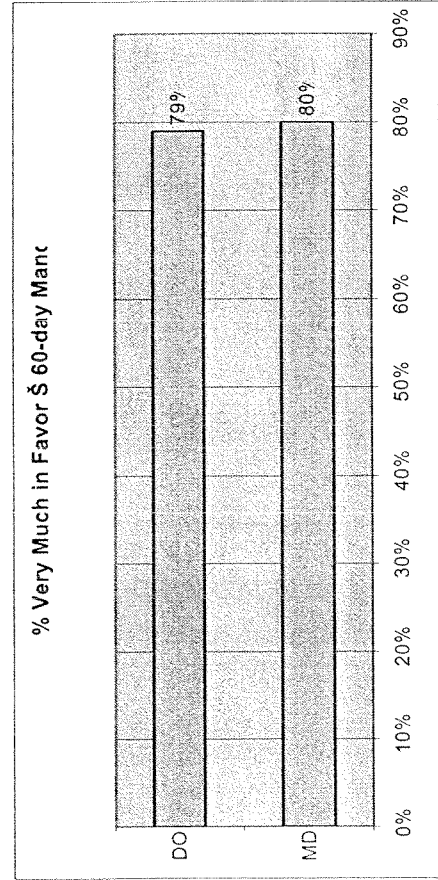
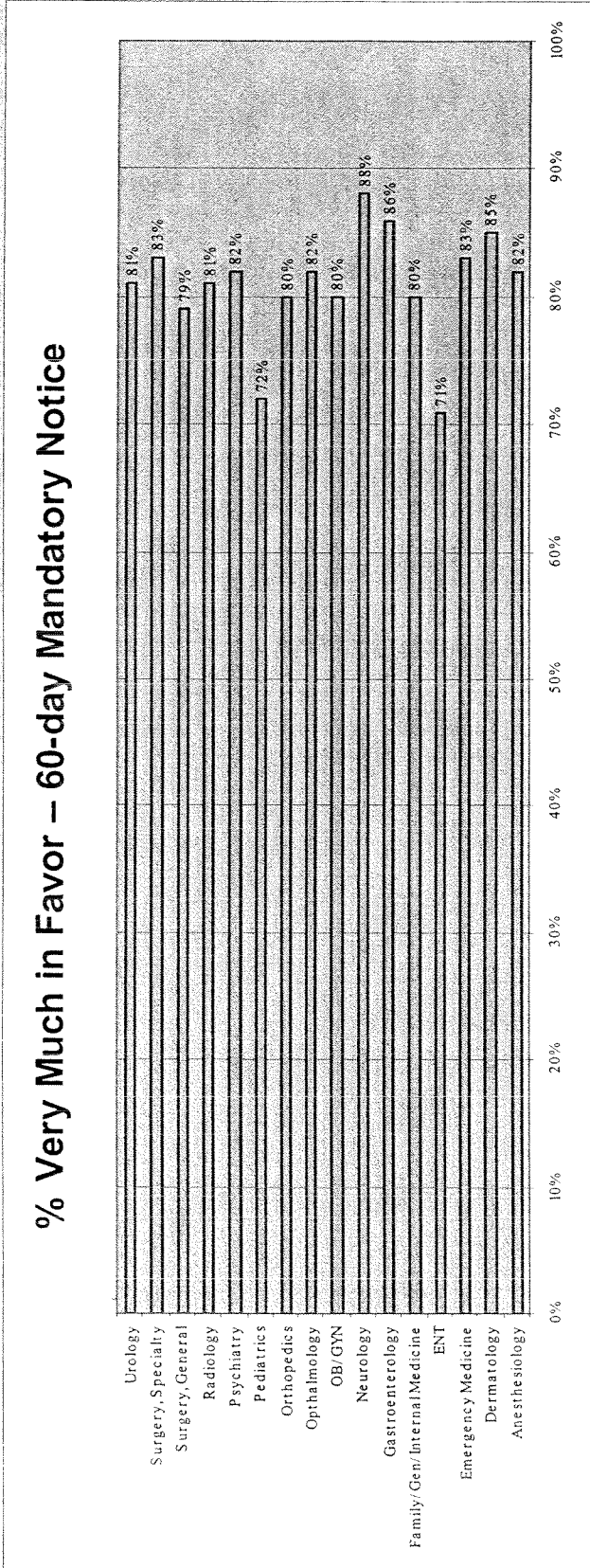
% Very Much in Favor of Medical Review Panel



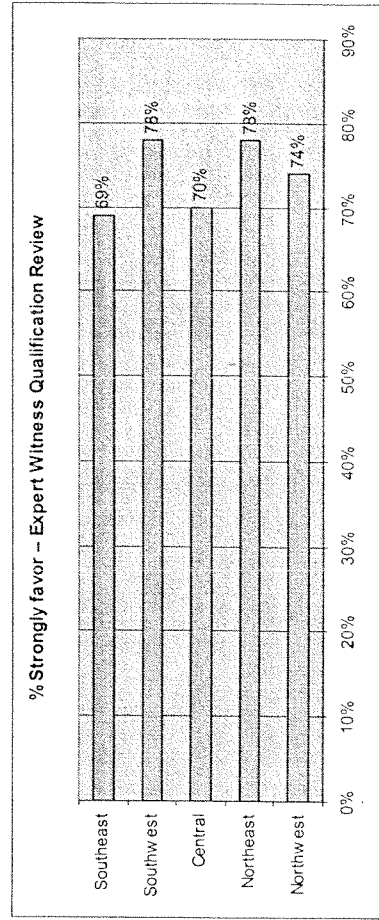
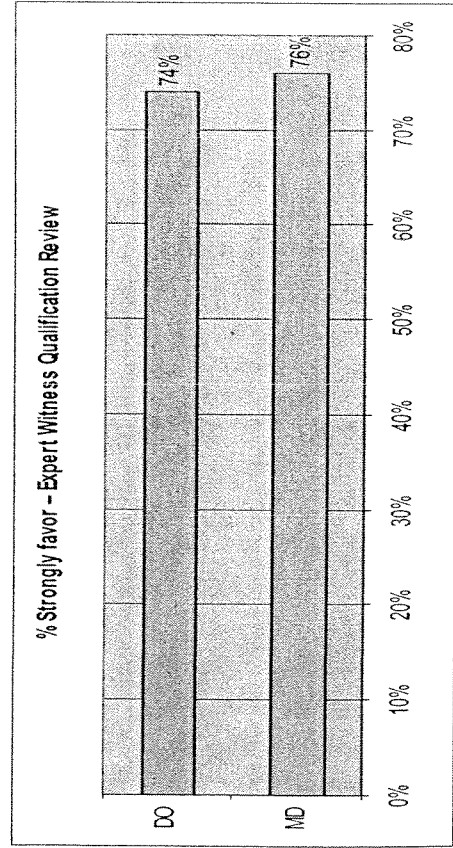
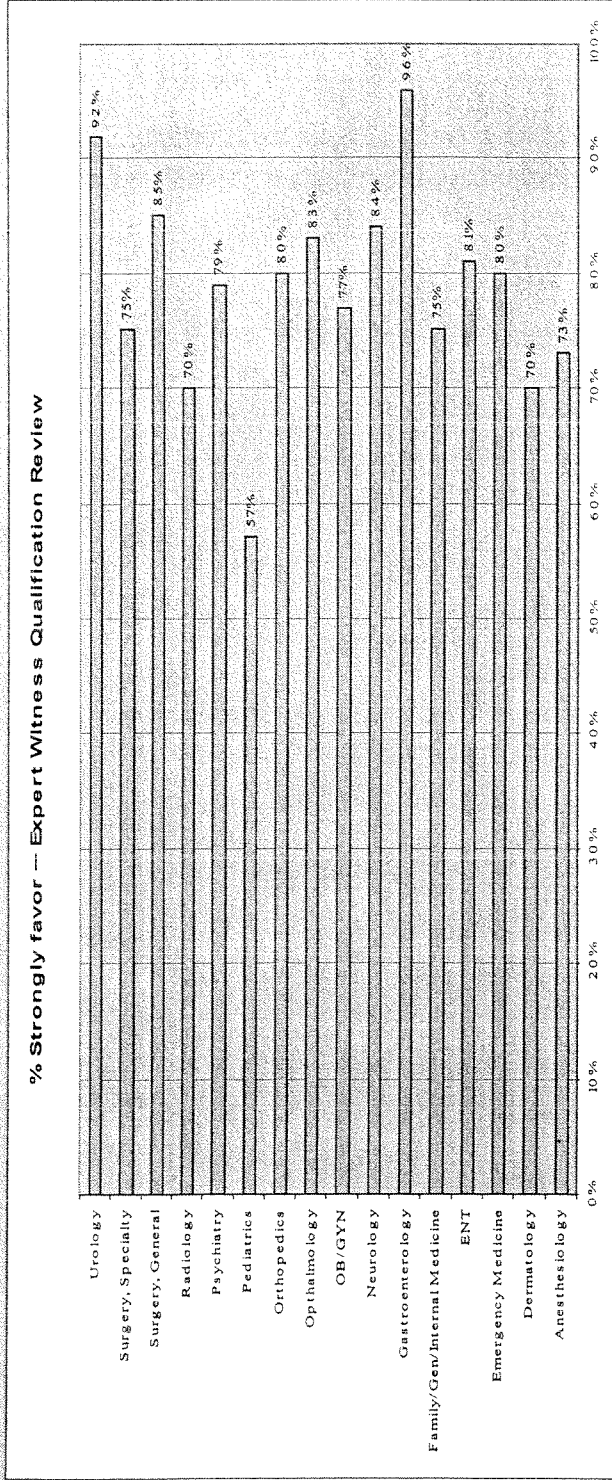
% Very Much in Favor of Medical Review Panel



Similarly, all physicians appear to strongly favor a 60-day Mandatory Notice regardless of region or specialty.

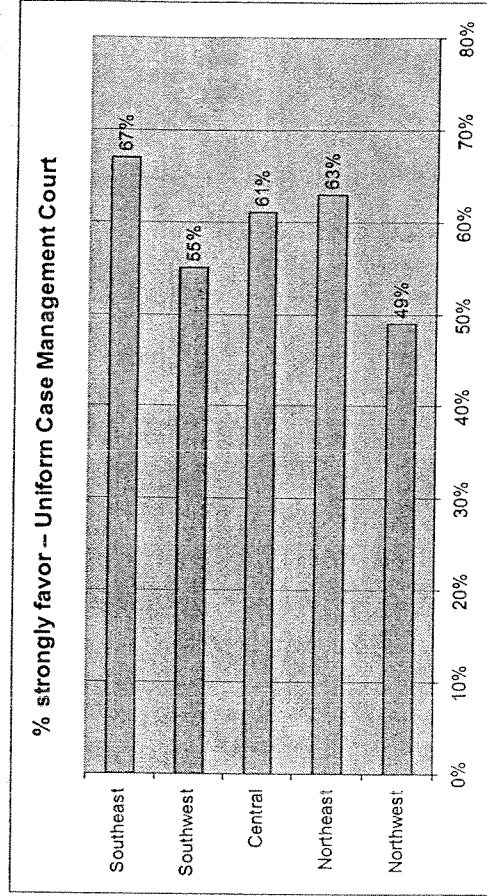
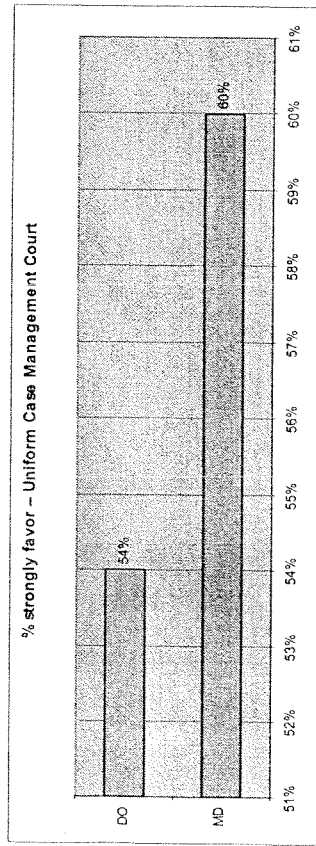


The majority of physicians also strongly favor an Expert Witness Qualification Review. Only Pediatricians are less enthusiastic about this measure.

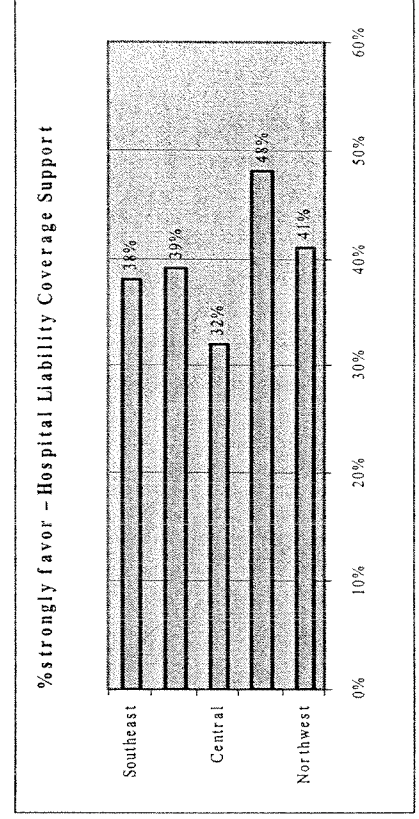
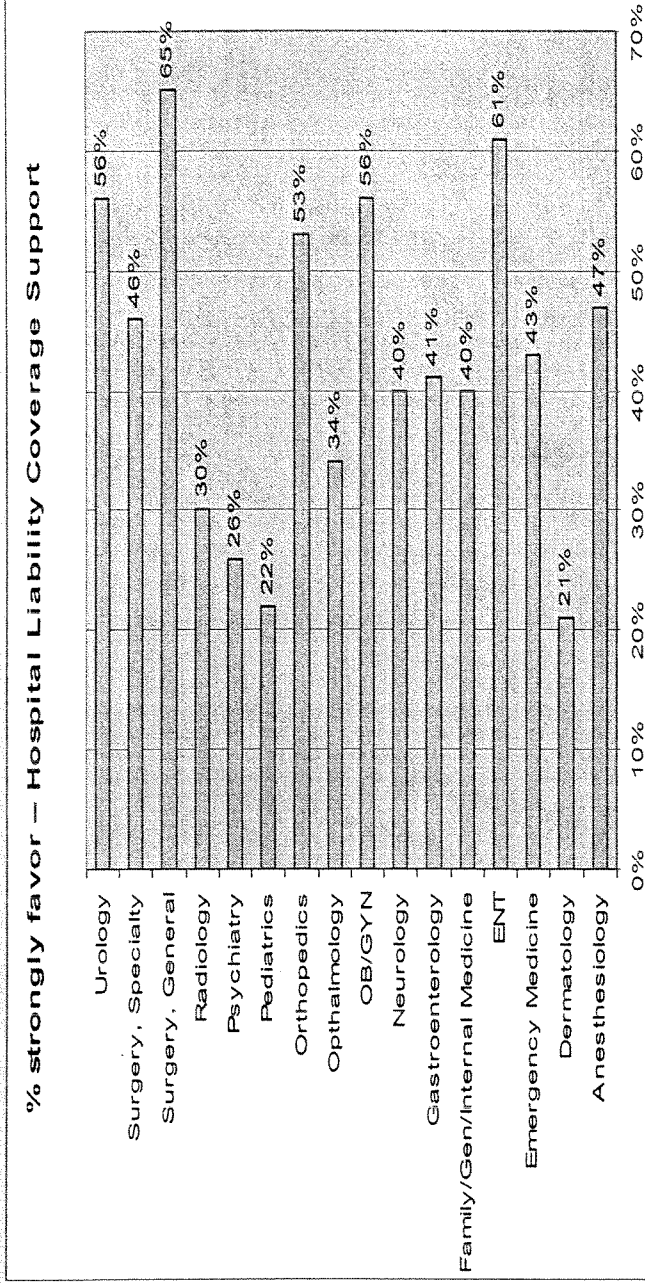


Among measures that were not as strongly favored, there were more significant differences between physicians from different Ohio regions and the various specialties.

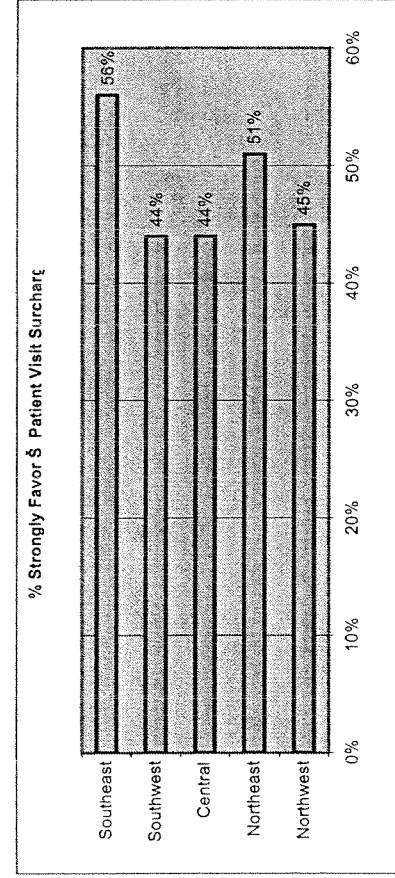
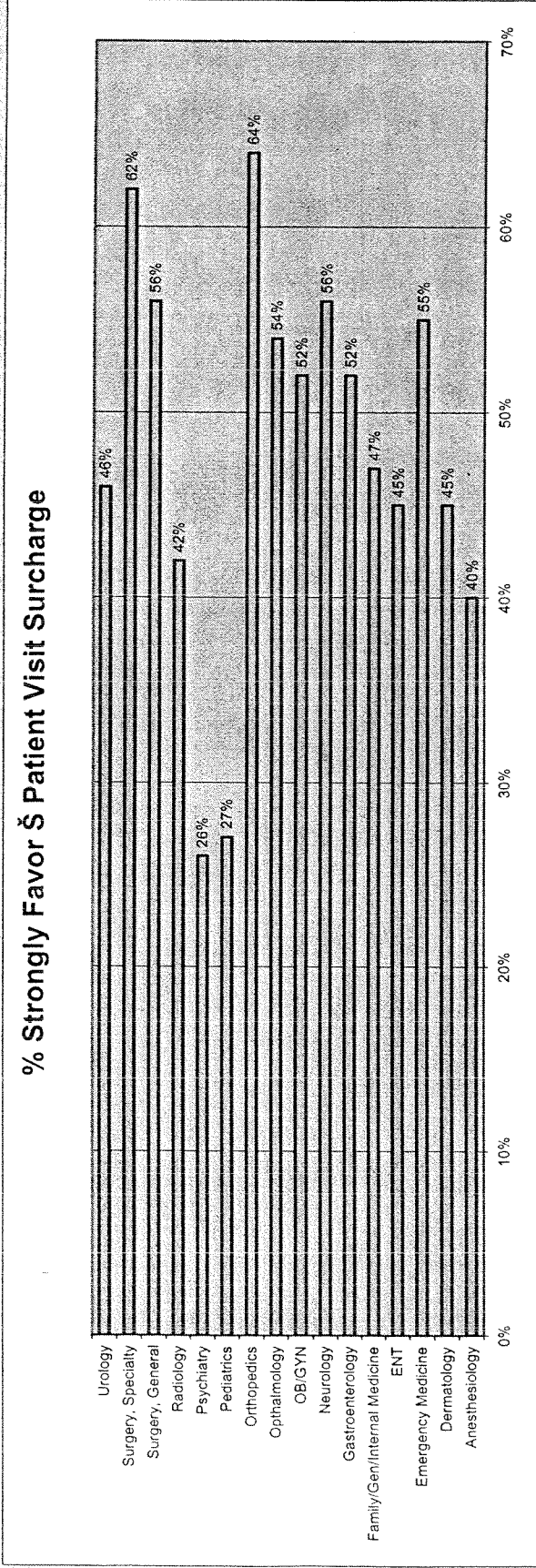
MDs have a stronger preference for the Uniform Case Management Court than DOs. There were also regional differences, with physicians in the Northwest being significantly less favorable to the measure. There were no strong differences between specialties.



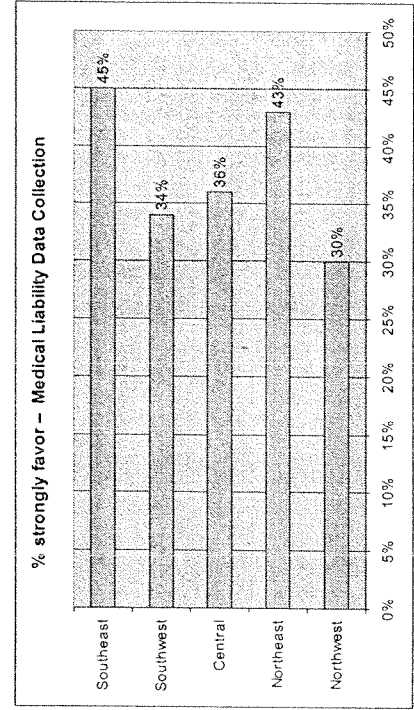
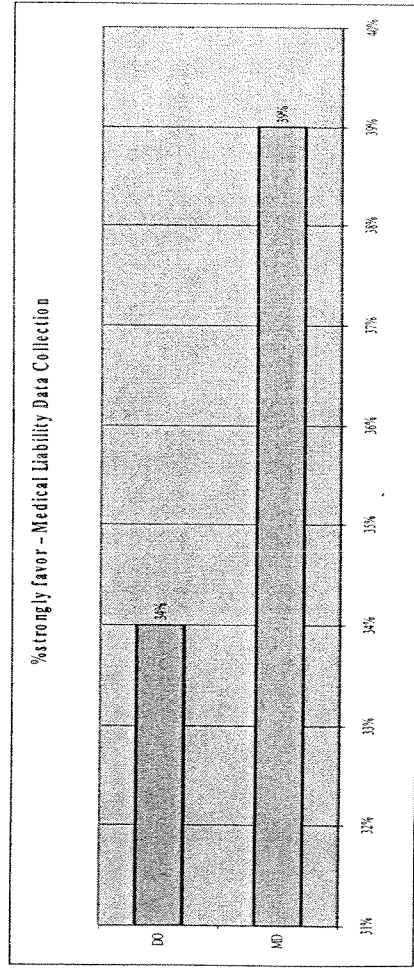
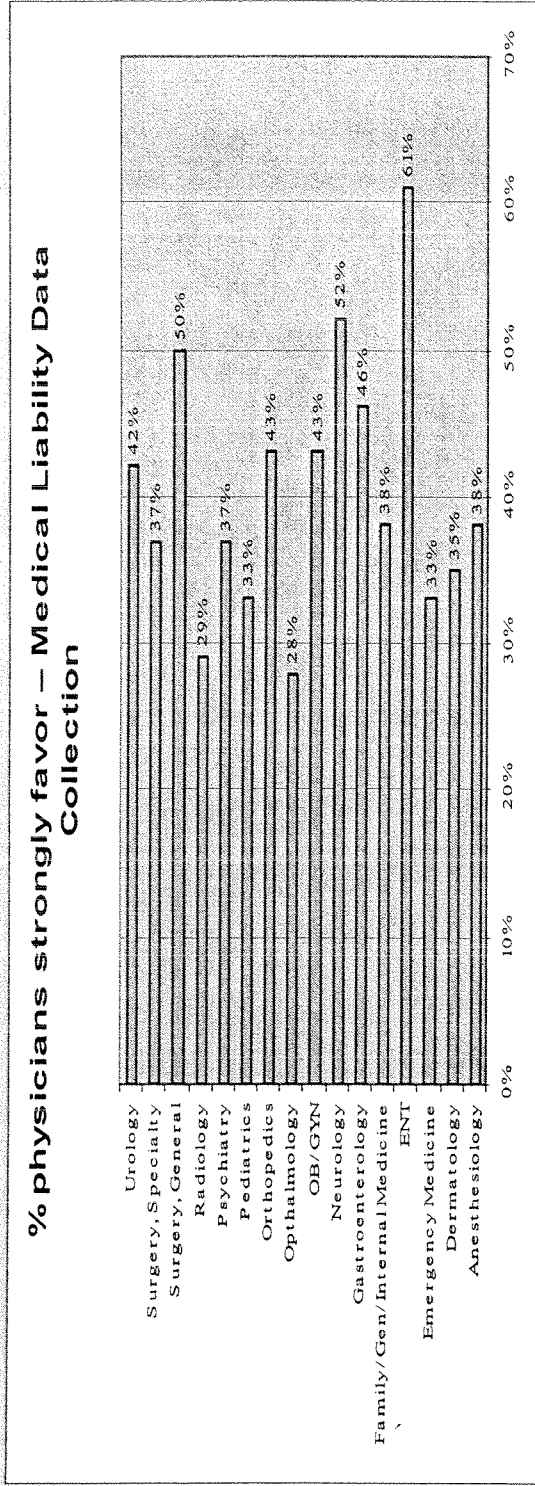
Physicians in Northeast Ohio were more favorable to the Hospital Liability Coverage Support measure. General surgeons, OB/GYN Orthopedics, Urologists and ENT physicians were also much more positive than physicians in other specialties.



Specialty Surgeons and Orthopedists were very favorable to the Patient Visit Surcharge measure – but both Pediatricians and Psychiatrists had a low favorability rating. Further, the measure is more popular in Southeast Ohio than most other regions.



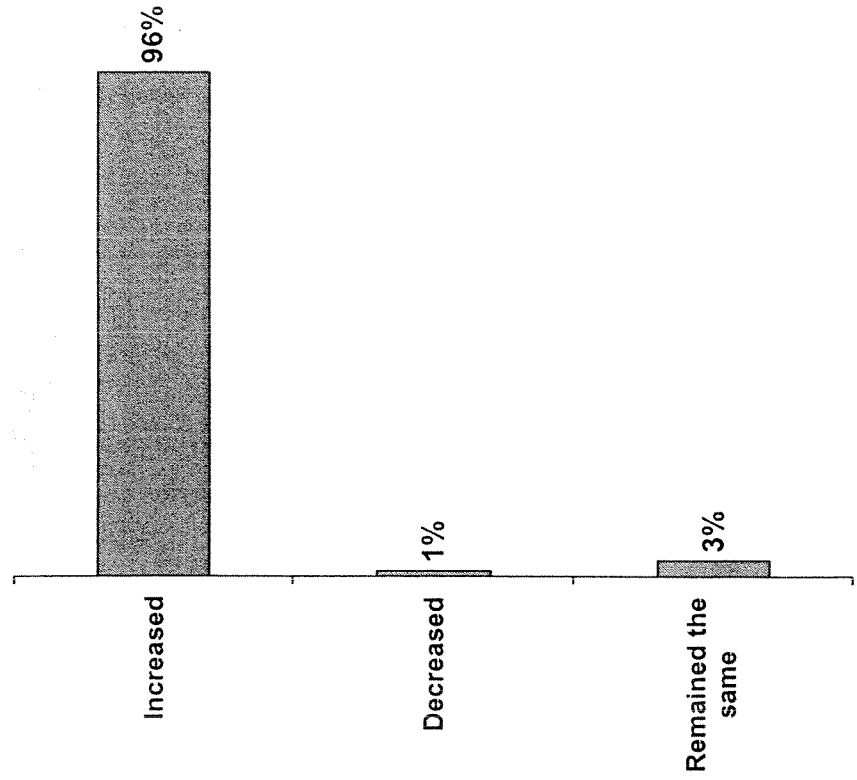
There were strong differences in favorability of the Medical Liability Data Collection measure. General Surgeons, Neurologists and ENTs were strongly favorable, but many other specialists were not. Southeast and Northeast Ohio were more interested in this measure than other regions.



Data on Malpractice Insurance Costs and Malpractice Lawsuits

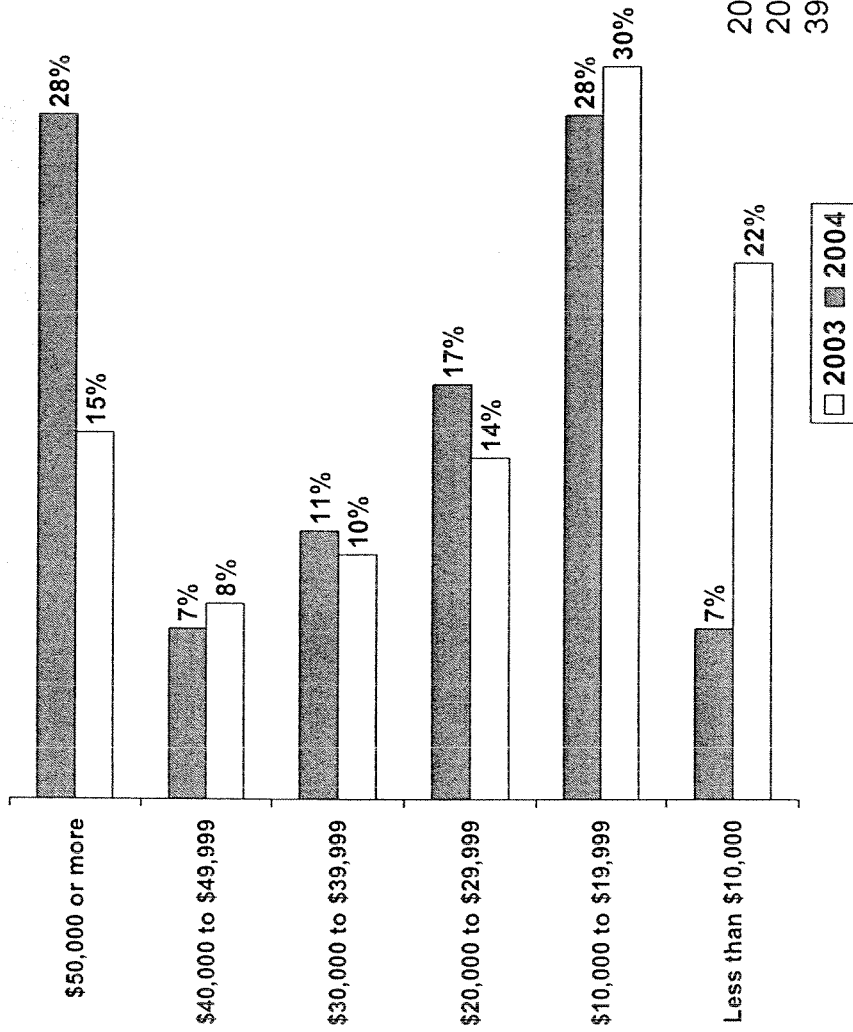
Close to all of the physician respondents (96 percent) experienced an increase in their medical malpractice insurance rates in 2004. This was true across all regions, all ages and all physician specialties.

Compared to 2003, have your medical malpractice insurance rates increased, decreased, or remained the same?



The average annual premium for personal medical malpractice insurance was \$40,385 in 2004, a 39 percent increase compared to 2003 annual premiums. The most substantial increase was in the category of individuals paying \$50,000 or more for personal medical malpractice insurance. Physicians impacted the greatest include Emergency Medicine Practitioners, Obstetricians, Orthopedists, and Surgeons.

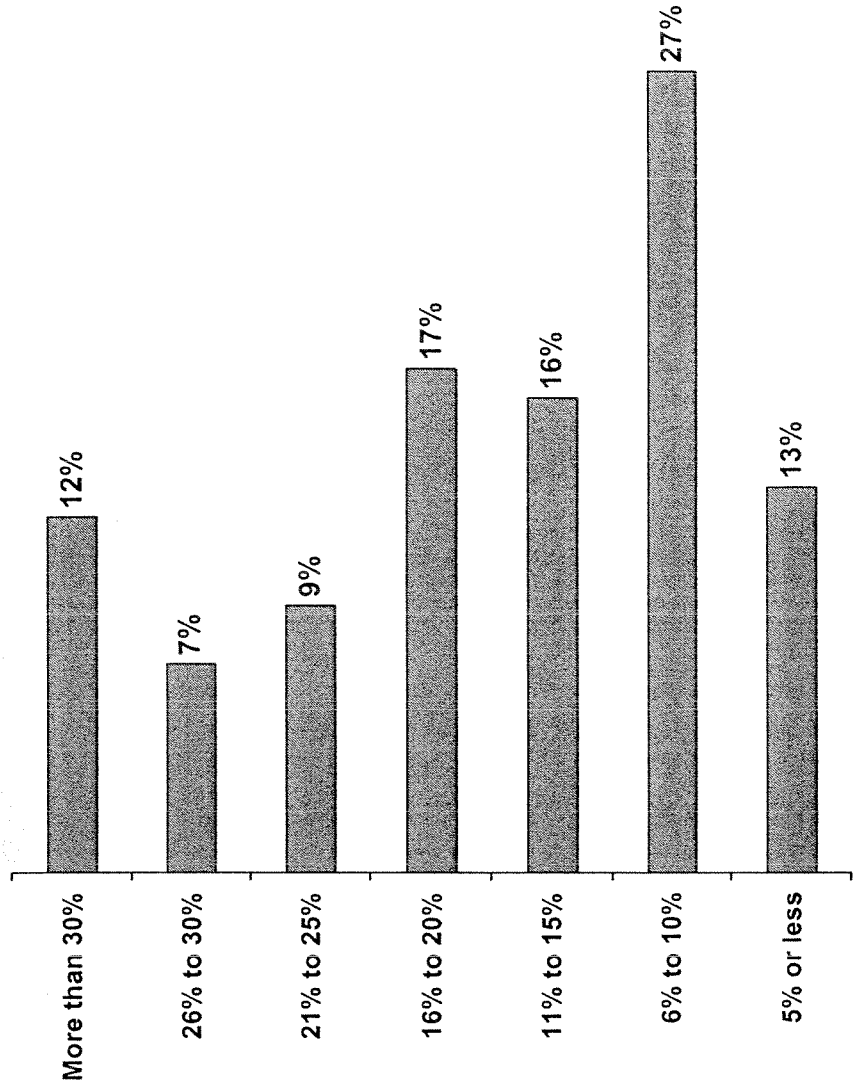
How much was your annual premium for personal medical malpractice insurance in 2003 and 2004?



2003 Mean Score: \$29,000
 2004 Mean Score: \$40,385
 39 percent increase from 2003 to 2004

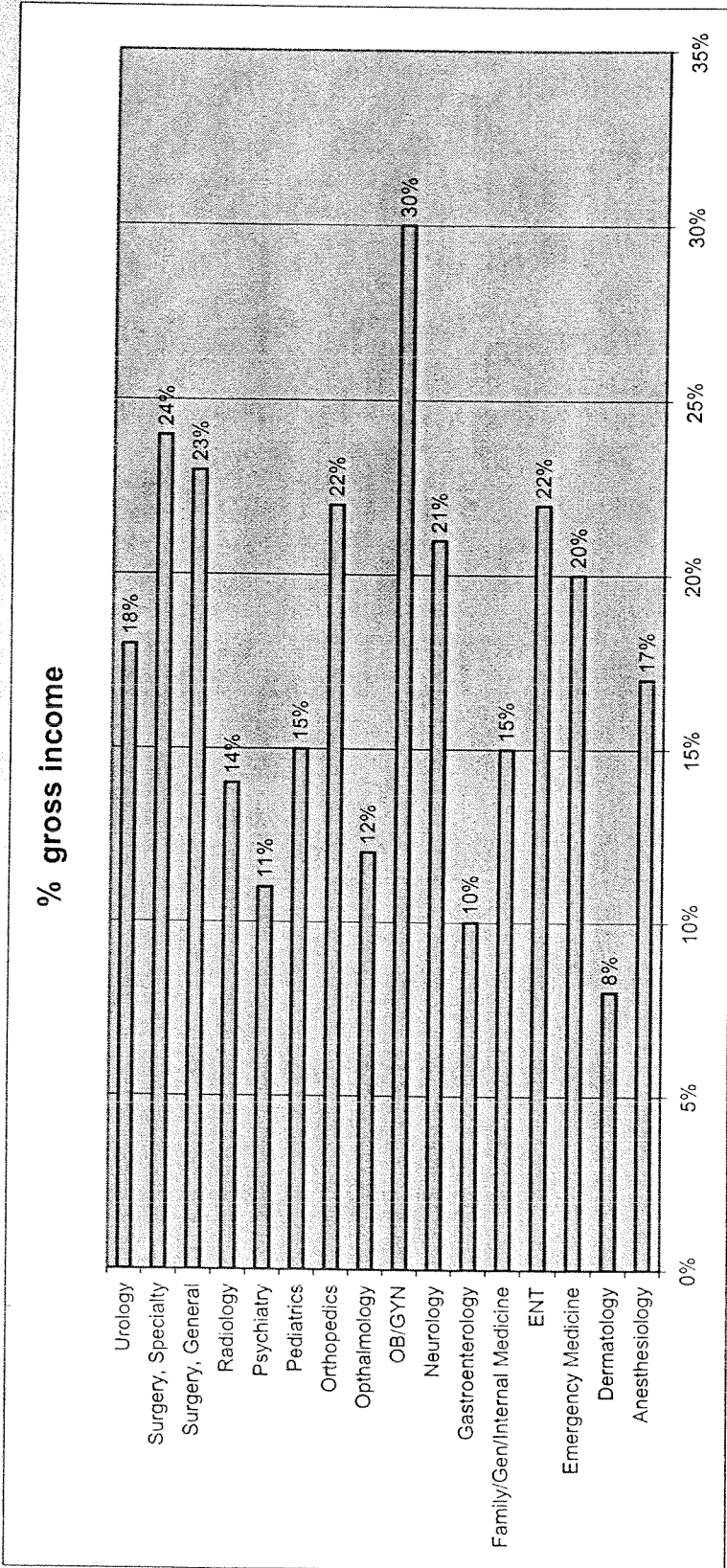
On average, responding physicians pay over 18 percent of their gross annual income for medical malpractice insurance. Physicians practicing in Obstetrics, Orthopedics, and General Surgery; those practicing in Northeast Ohio; and those with three or more claims filed against them in the last 10 years were more likely to pay more than 30 percent of their gross income.

Approximately what percent of your gross income is used to pay for your medical malpractice insurance premium?



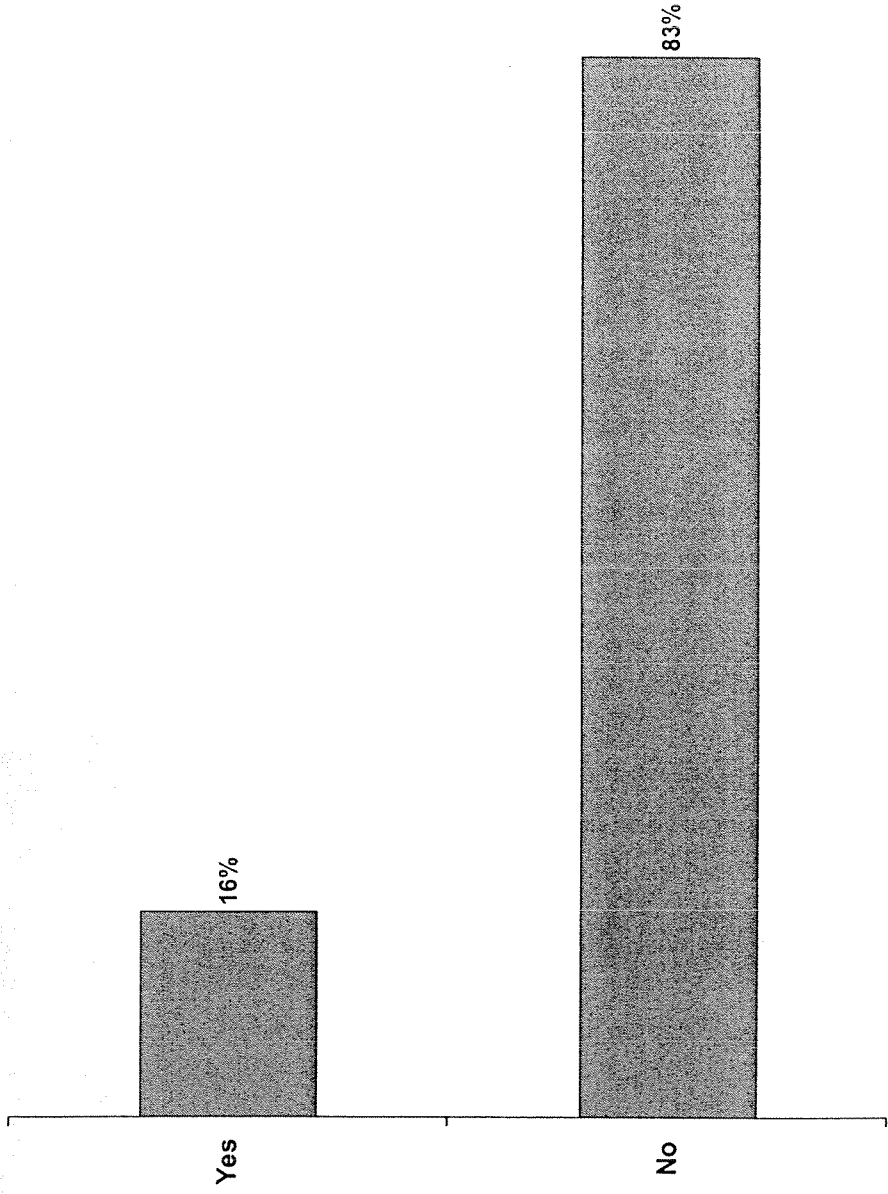
Mean Score: 18.3%

Obstetricians pay the largest percentage of their income to malpractice insurance. Surgeons, Orthopedists, Neurologists and ENT physicians also pay more than 20% of their income for malpractice insurance.



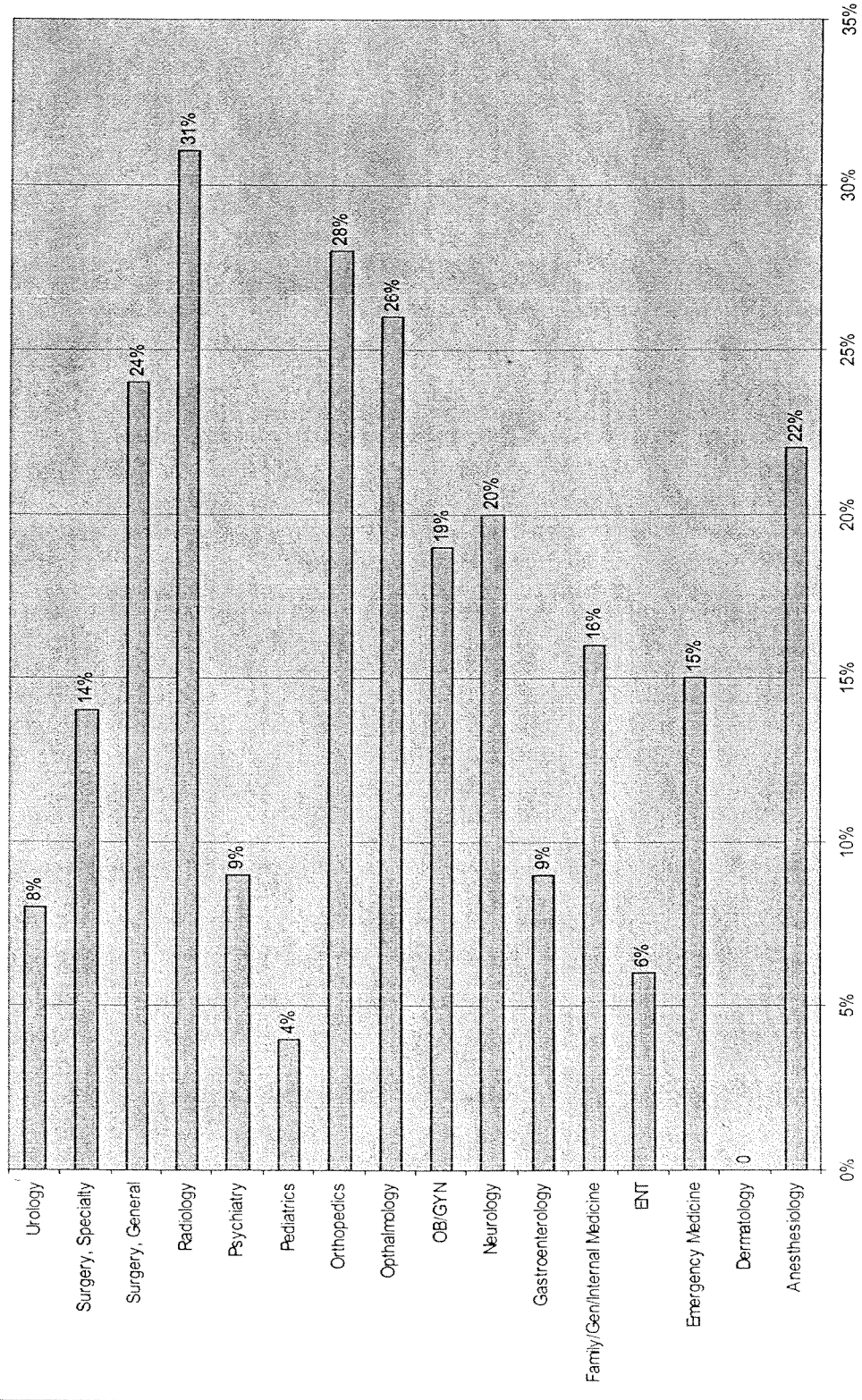
Approximately one in every six physicians has had his or her malpractice insurance terminated in the past 10 years.

In the past 10 years, have you had your medical malpractice insurance terminated?

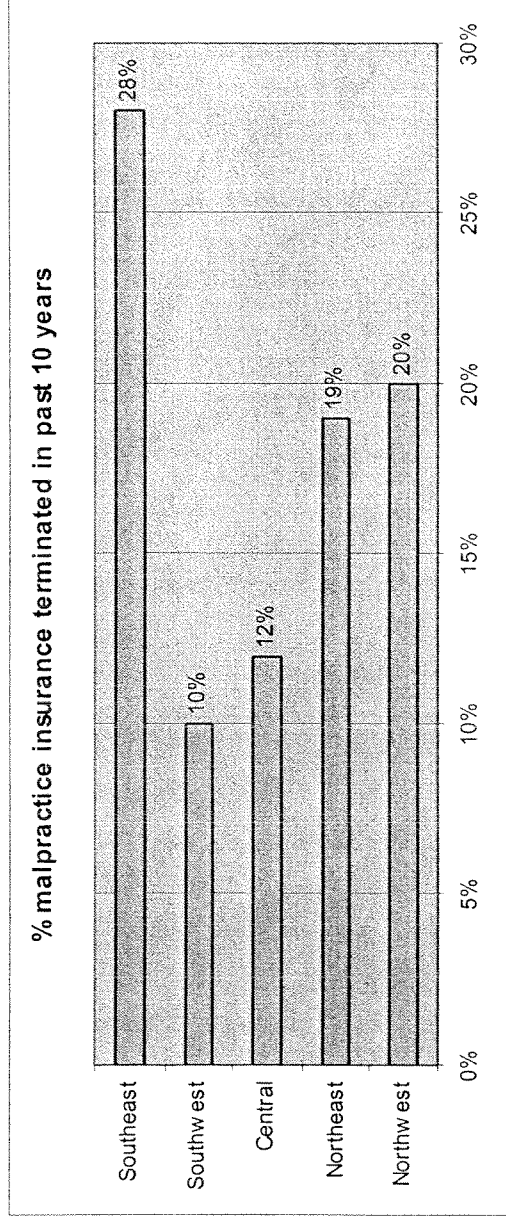


Radiologists, General Surgeons, Orthopedists and Ophthalmologists are most likely to have had their insurance terminated.

% malpractice insurance terminated in past 10 years

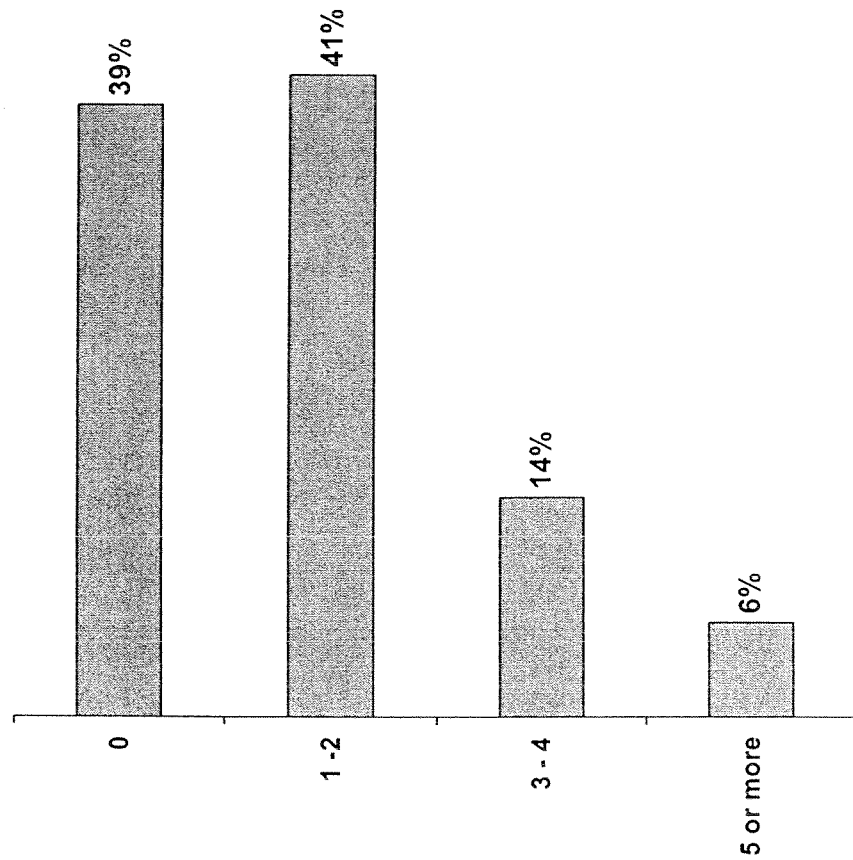


Physicians in Southeast Ohio have a significantly greater incidence of malpractice insurance being terminated.



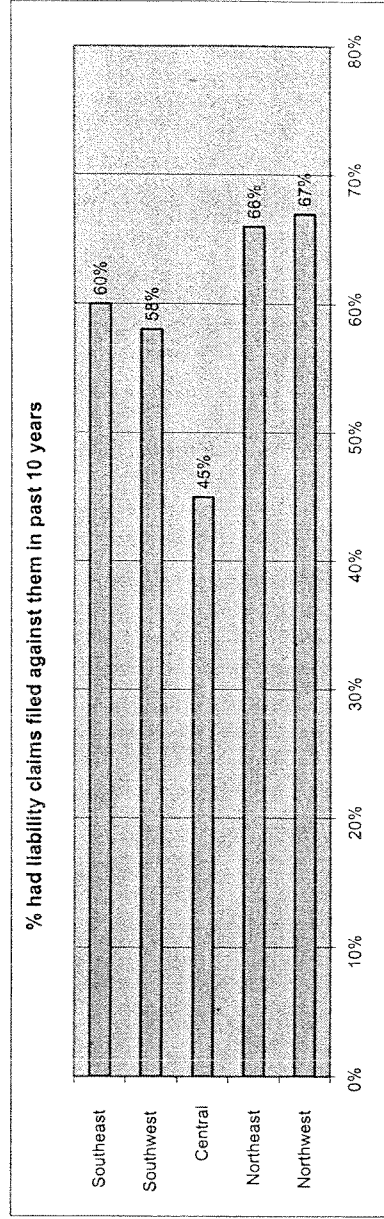
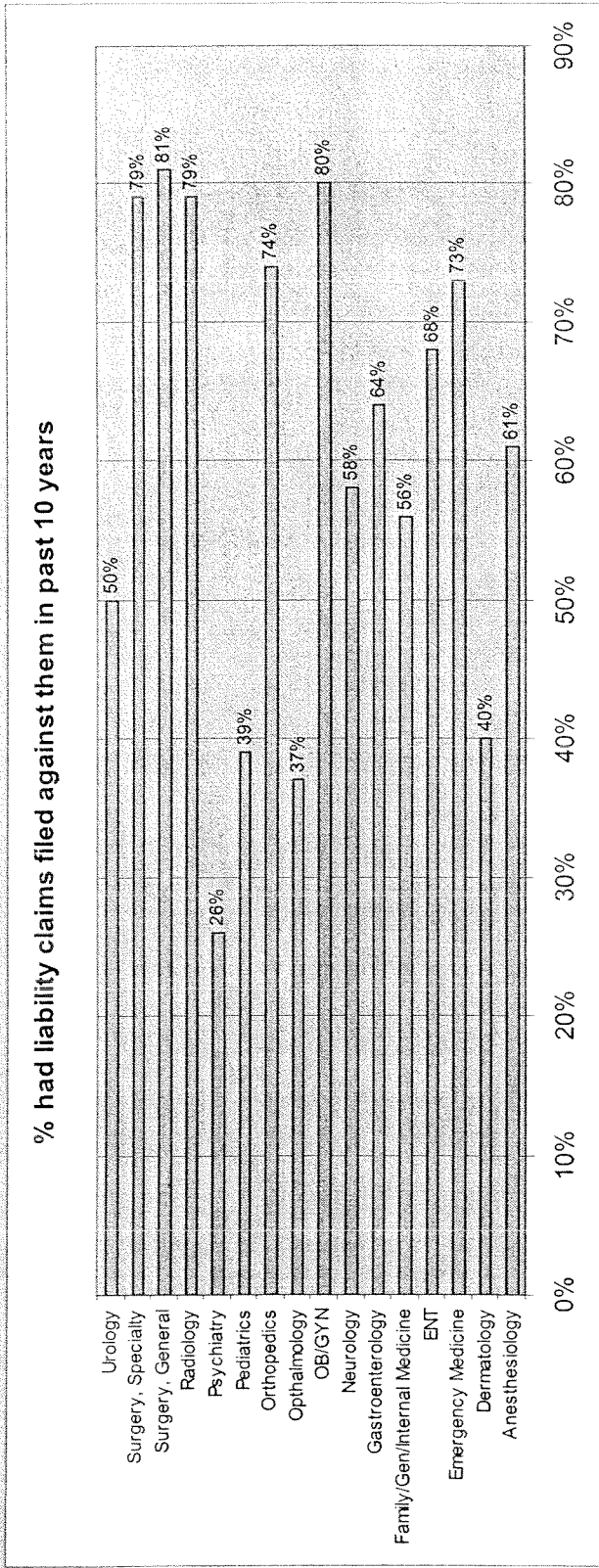
Close to 40 percent of the physicians surveyed have not had a single medical liability claim filed against them in the past 10 years.

Not including 180-day letters, how many medical liability claims have been filed against you in the past 10 years?



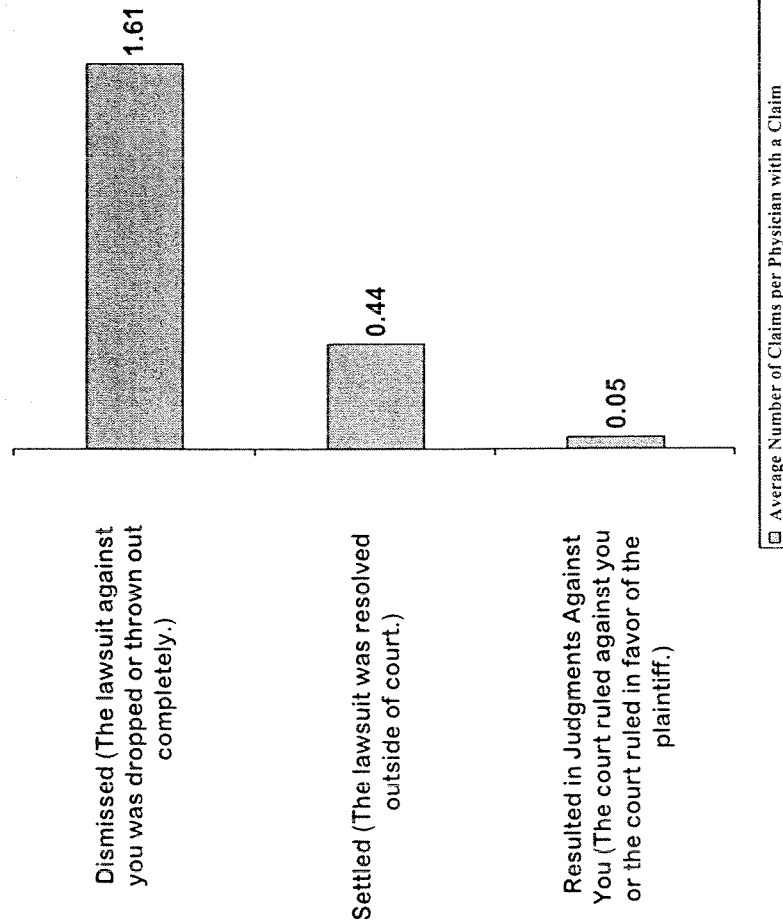
Average: 1.28 claims per physician

Physicians in Northeast and Northwest Ohio and physicians practicing in advanced specialty areas such as Emergency Medicine, Obstetrics, Radiology, and Surgery were more likely to have claims filed against them in the past 10 years (not including 180-day letters).



Three-fourths of all the claims were reported by respondents as dismissed. These physicians had an average of 2.25 claims in 10 years with only .05 claims resulting in judgments against the physician.

Medical Liability Claims



Universe of Claims: 1,740

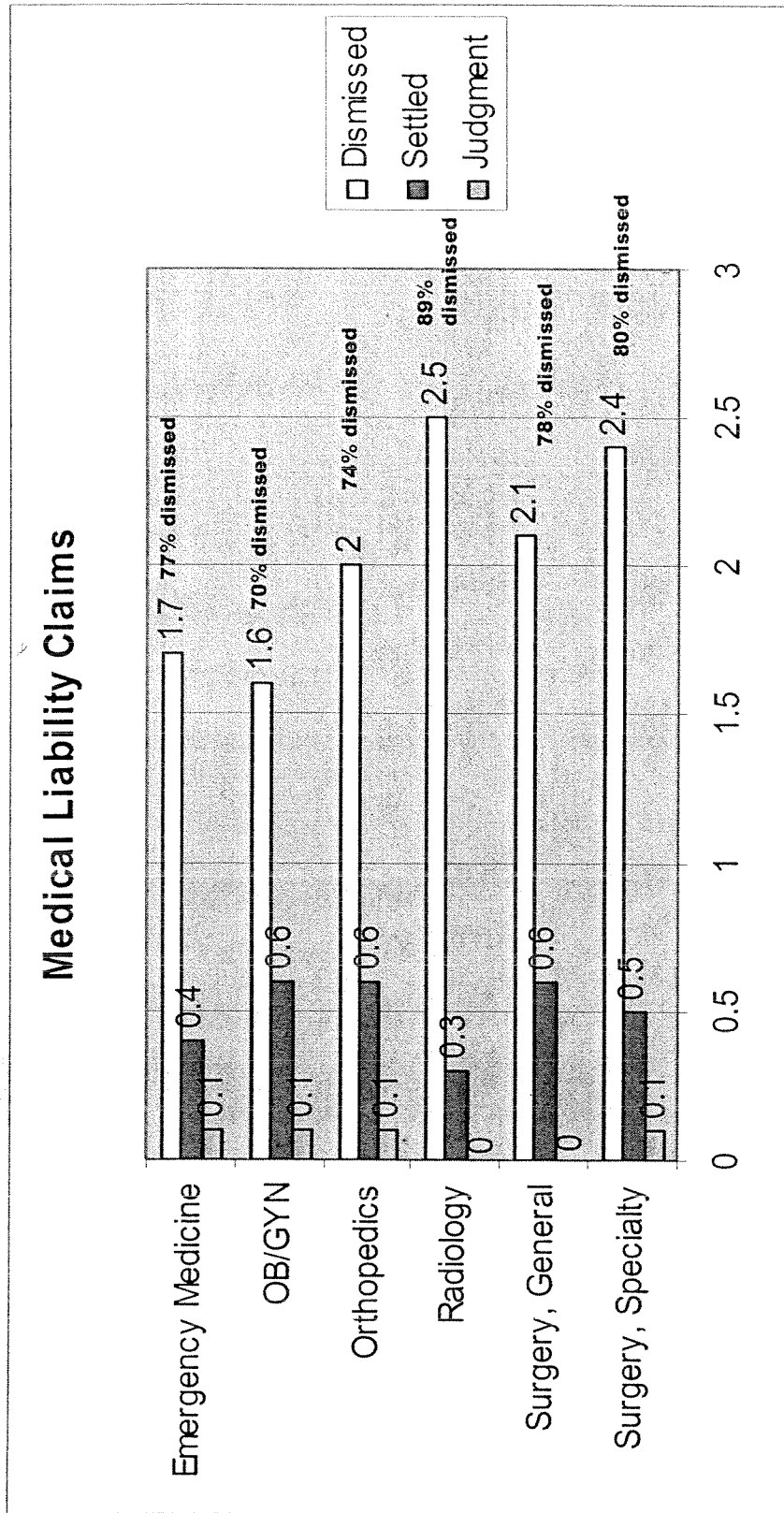
75% of all reported claims were dismissed.

21% of all reported claims were settled.

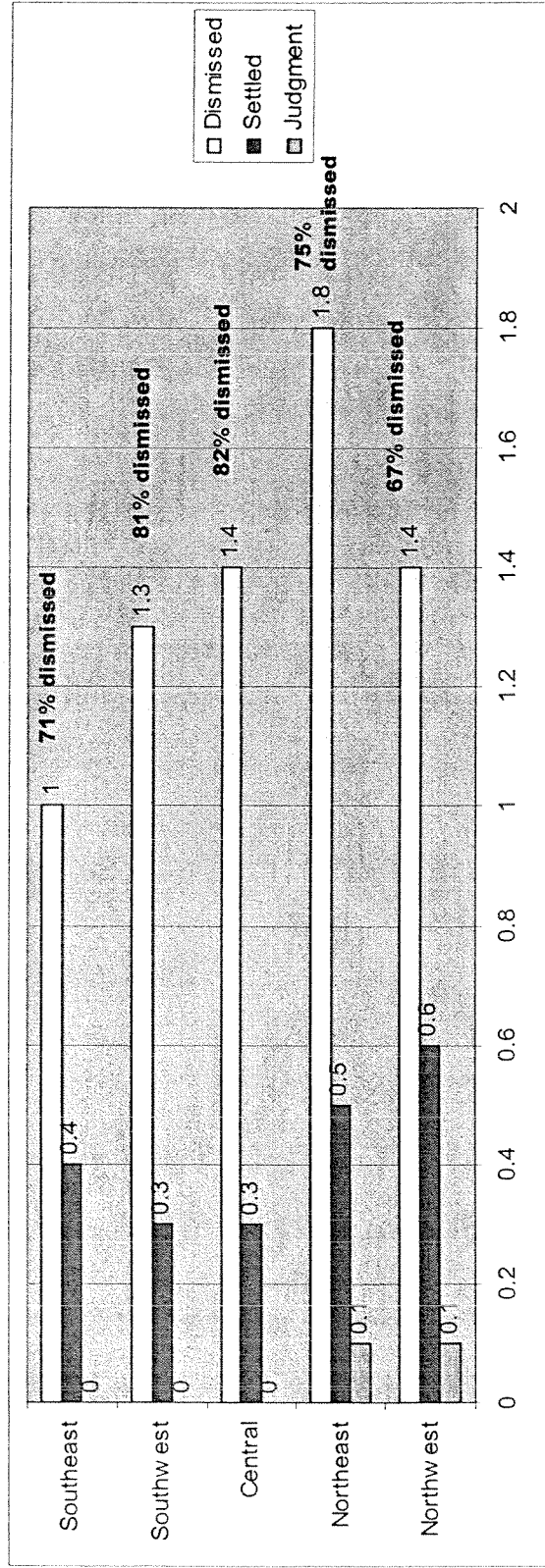
2% of all reported claims resulted in judgment against the physician.

* Results are less than 100% because some respondents did not provide complete information.

Even among high-risk specialties, the majority of claims are dismissed. OB/GYN are most likely to have a claim settled or a judgment against them. Radiologists are the least likely with a full 89% of their claims being dismissed.

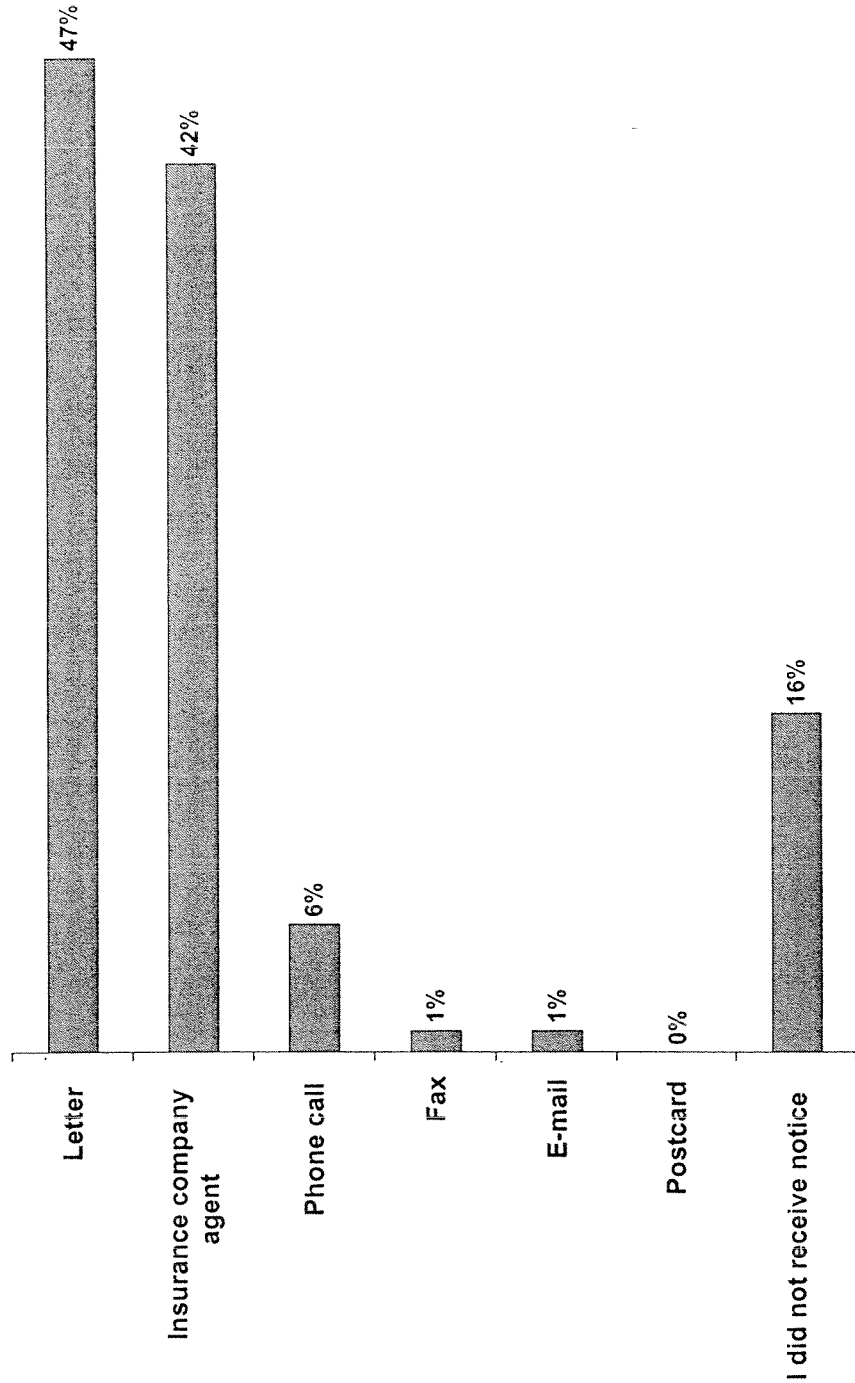


In Southwest and Central Ohio, more than 4 of every 5 lawsuits are dismissed. However, in Northwest Ohio, nearly 1 in 3 is settled or results in a judgment against the physician.



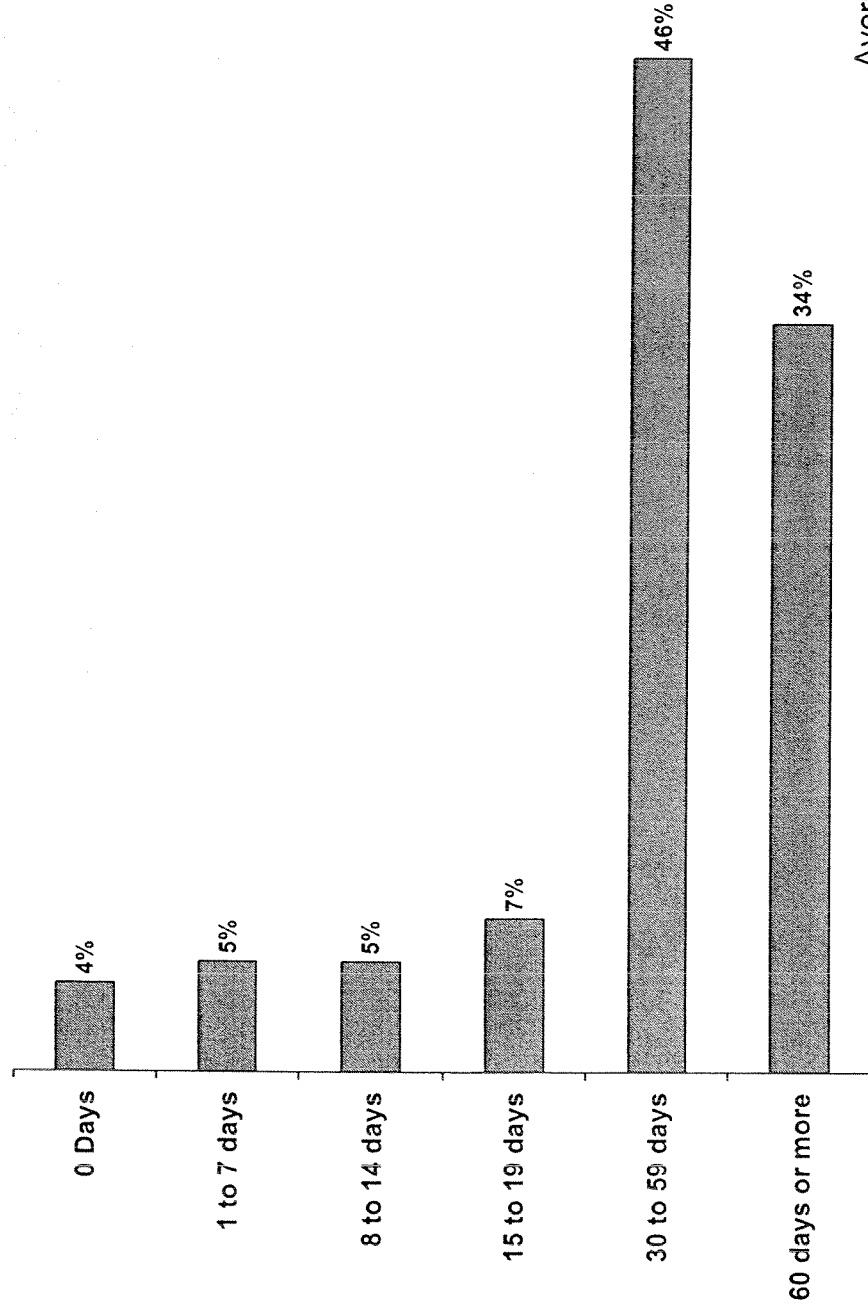
Nearly 90 percent of physicians received notice of their insurance rates changing through a letter or directly from their insurance agent. By contrast, 16 percent of the physicians surveyed, primarily Psychiatrists, did not receive any notice regarding the increase in insurance rates.

The last time your medical malpractice insurance rates changed, how did you receive notice?



On average, responding physicians received 42 days notice of a change in their medical malpractice insurance rates. Physicians under 35 and those without prior liability claims filed against them received more notice than those with past claims against them.

Approximately how many days in advance did you receive notice before your medical malpractice insurance rates changed?

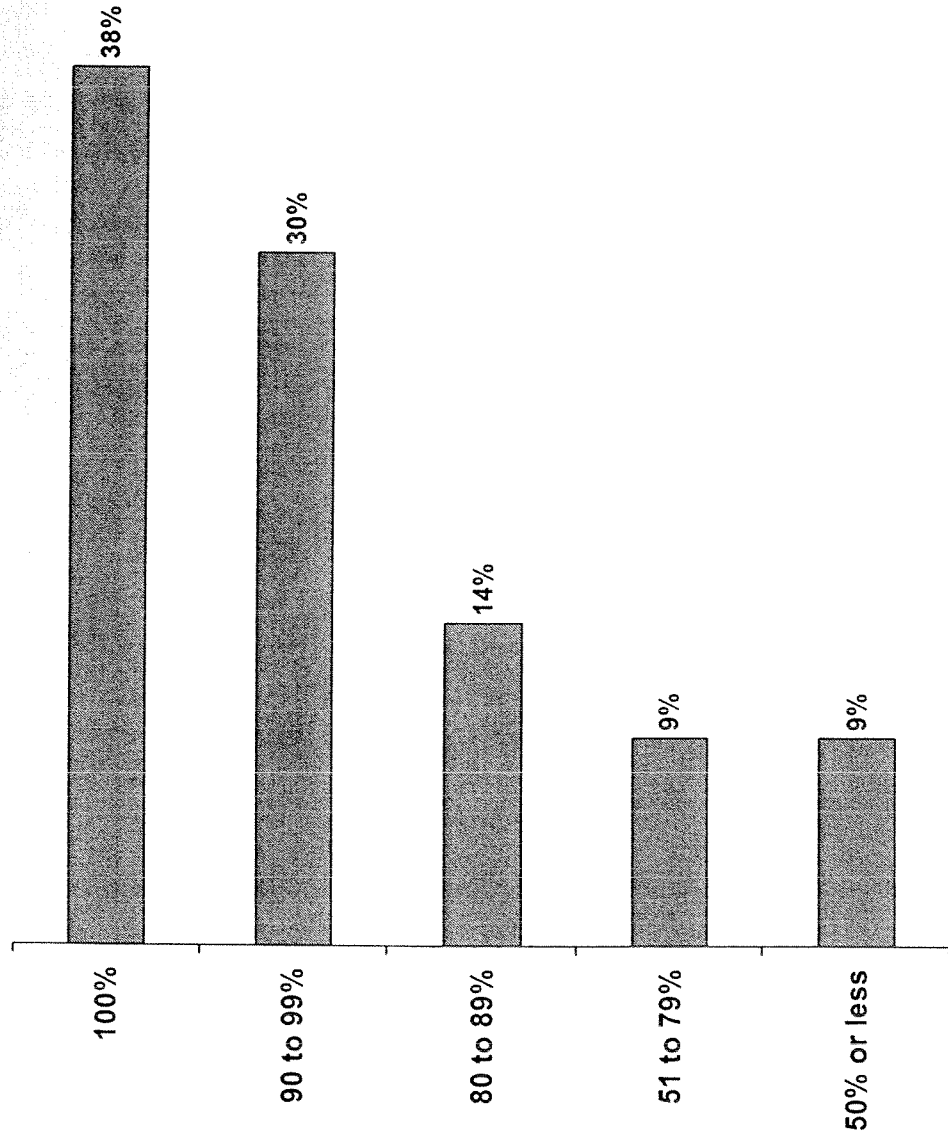


Average: 42 days' notice

Physician Demographics

On average, responding physicians spend 87 percent of their time providing direct patient care. Radiologists and Surgeons spend the least amount of time, while Dermatologists, Anesthesiologists, Ophthalmologists, and Gastroenterologists spend the most time providing direct patient care.

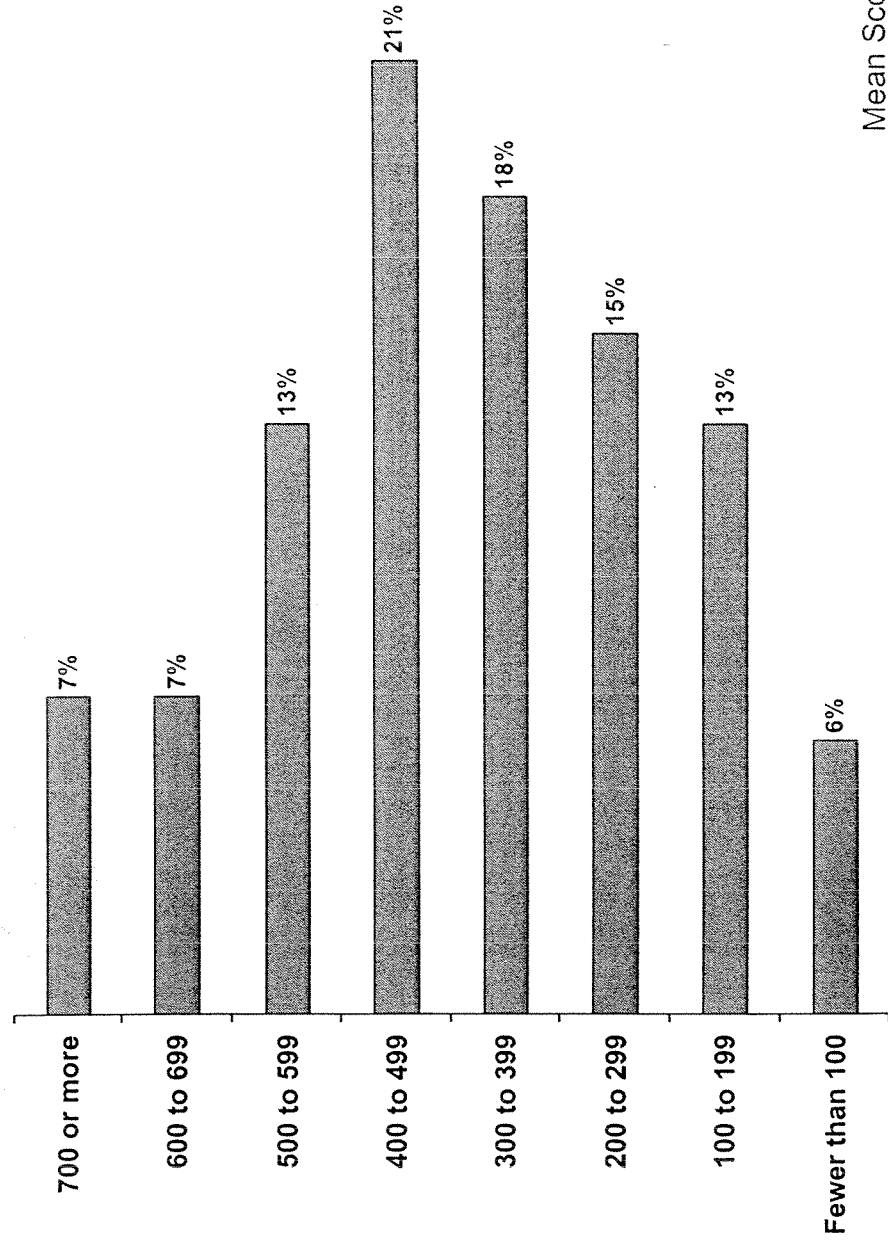
What percent of your typical day is spent providing direct patient care?



Mean Score: 86.6%

The average physician surveyed sees 389 patients per month. Dermatologists, Family Practitioners, Ophthalmologists, Orthopedists, and Radiologists see significantly more patients per month than other specialties. Physicians over the age of 64 see far fewer patients than their younger counterparts.

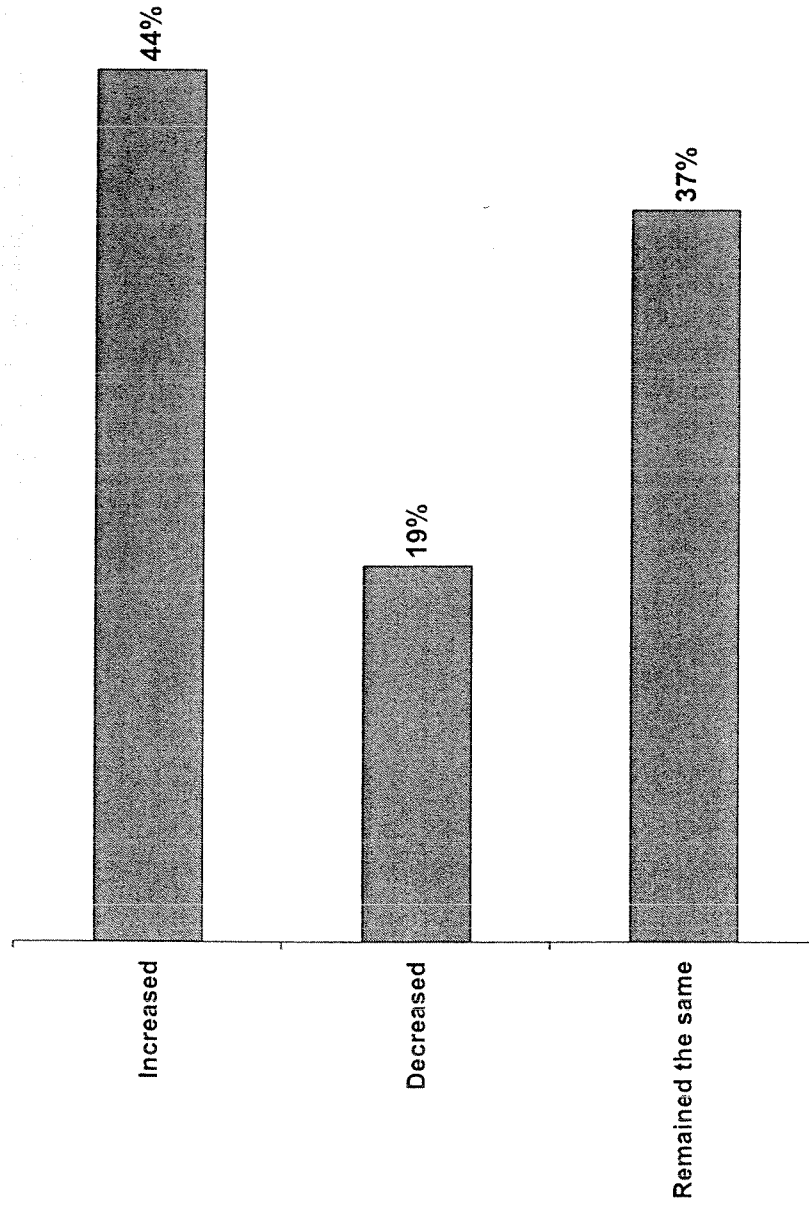
On average, how many patients do you see in a typical month?



Mean Score: 389 Patients

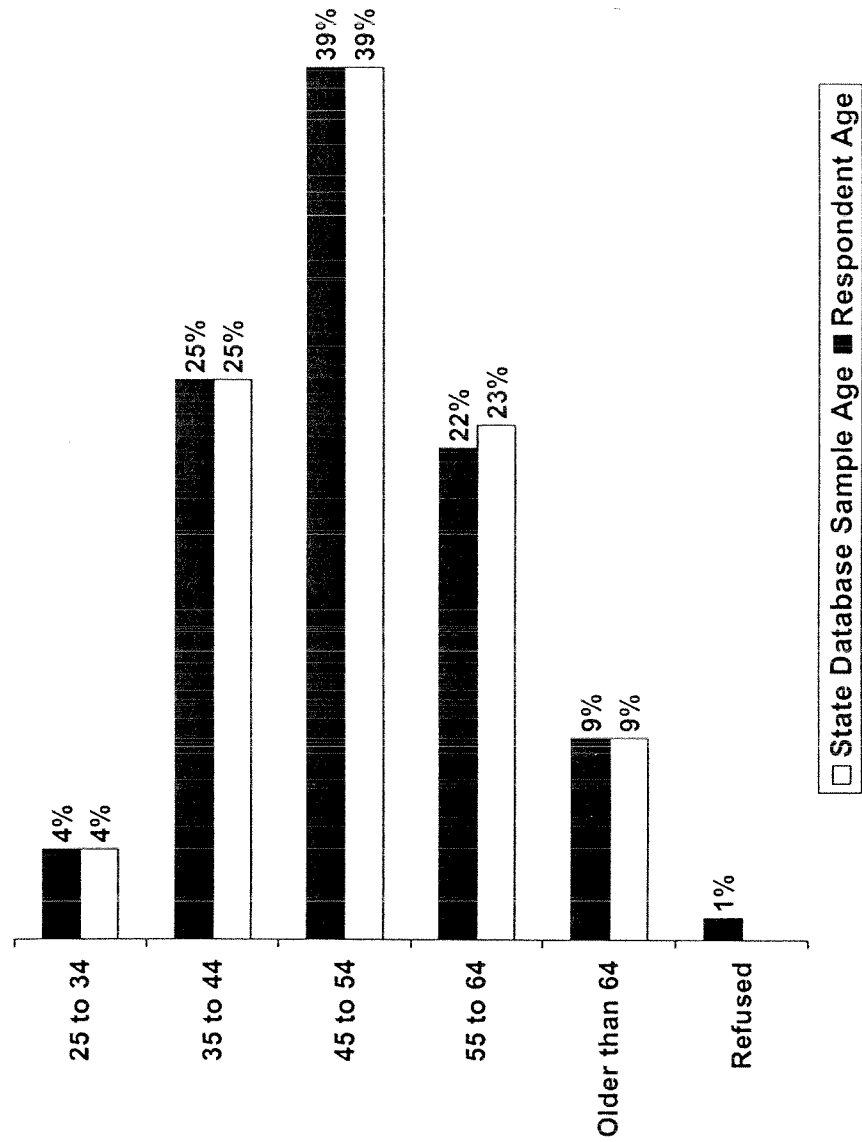
Close to half (44 percent) of the respondents have had their patient loads increase compared to last year. Physicians under the age of 35 and those practicing in the fields of Dermatology, Emergency Medicine, Radiology, and Gastroenterology have experienced a more significant patient load increase than their peers.

Compared to 2003, has the number of patients you see (your patient load) increased, decreased, or remained the same?



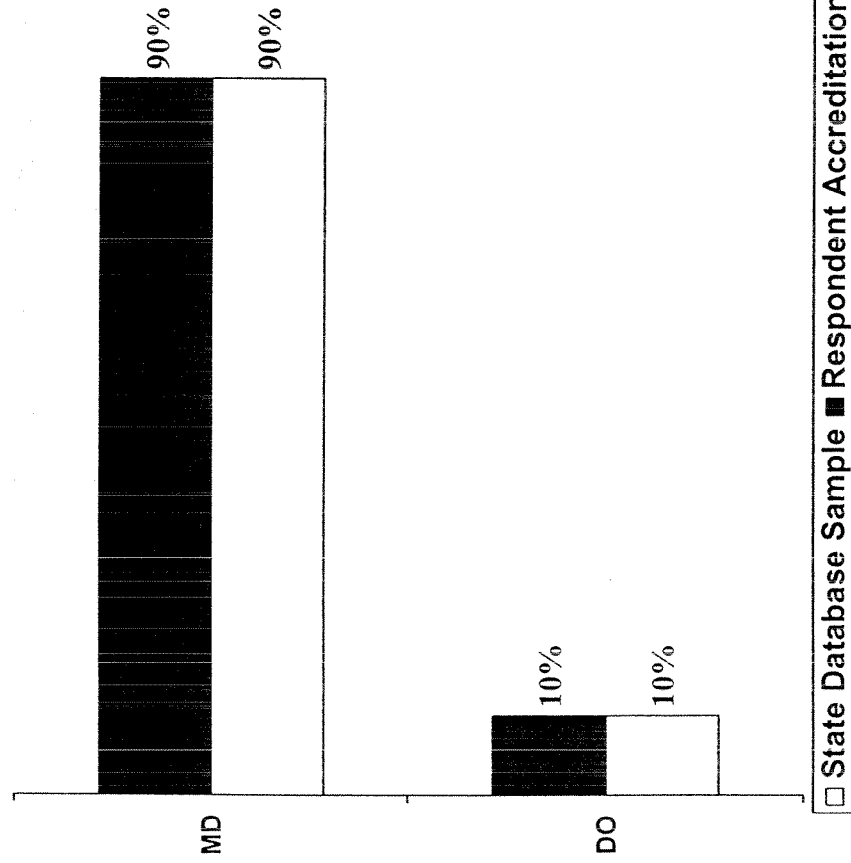
More than 70 percent of the respondents were over the age of 44. Responding physicians are similar in age to the overall sample of physicians in Ohio.

Physician Respondent Age



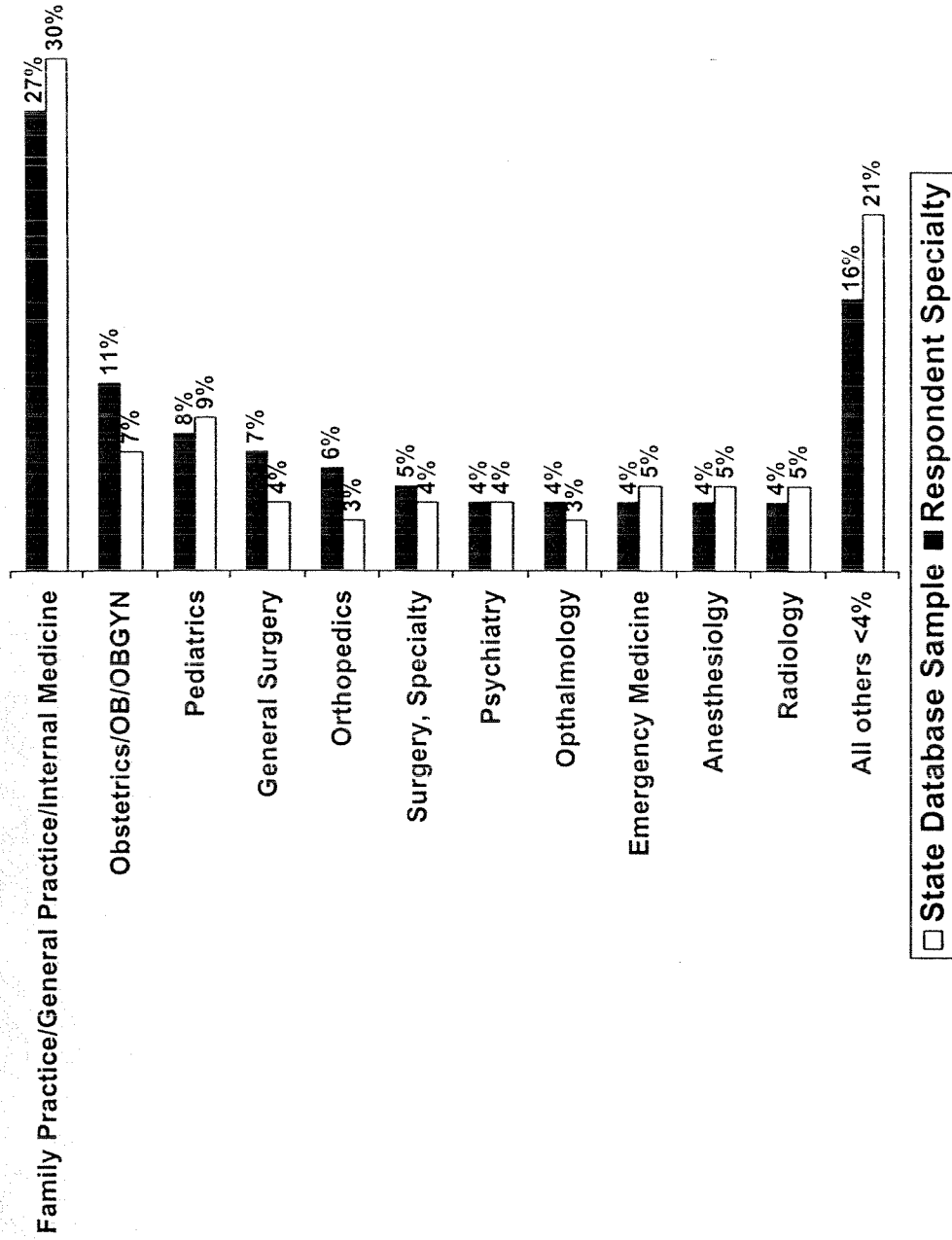
The overwhelming majority of physician respondents were MDs. Responding physicians are similar in accreditation to the overall sample of physicians in Ohio.

Physician Respondent Accreditation



The highest percentage of respondents were Family/General/Internal Medicine Practitioners, followed by Obstetricians, Pediatricians, General Surgeons, and Orthopedists.

Physician Respondent Specialty



The Northeast region of Ohio was the most represented in the survey, followed by the Southwest and Central regions. In general, responding physicians are similar in region to the overall sample of physicians in Ohio.

Physician Respondent Region

