

Memo

To: AMC/NOMA MEMBERS
From: John A. Bastulli, M.D., Vice President of Legislative Affairs (AMC/NOMA)
CC: Chiefs of staff, hospital presidents, medical staff coordinators
Date: 04/11/2004
Re: Legislative issues

Recently, the AMC/NOMA sponsored a seminar entitled, "Saving Northern Ohio Medicine and Protecting Patients." This seminar was a huge success and very well attended. The information provided to the audience was timely and insightful.

Several of the presentations, including my legislative update, included information regarding legislation that calls for a rate freeze for medical liability premiums. The AMC/NOMA believes that while legislation establishing a rate freeze or rollback in liability premiums may appear to be a viable approach to the medical liability problem; we are concerned that those advocating for this legislation have not completely reviewed what could result if a rate freeze or rollback were to occur.

During our seminar, it was clearly stated that there is nothing that requires medical liability insurers to write policies in Ohio. There are only five companies writing insurance in the state, and of those five, three are showing signs of financial stress. Presenters at the seminar felt that a rate freeze would almost certainly result in these five companies leaving the Ohio market or becoming insolvent. This is not a myth, this has actually happened in other states when this type of action has occurred.

Data presented at our seminar clearly showed that Ohio law requires that insurance premiums be actuarially justified or they can be rejected by the Ohio Department of Insurance. In addition, data was presented that showed that the Ohio liability insurers have experienced dramatically decreasing profits since 1998. It is obvious that if the Ohio market were profitable for medical liability insurers, there would be more companies writing business in Ohio. Therefore, the AMC/NOMA informed the participants at our seminar that we are unable to support any legislative proposal that could further erode the precarious medical liability market and worsen the situation for many Northern Ohio physicians.

The AMC/NOMA is aware that there are alternative physician organizations that claim to have the answer to the medical liability crisis. While the AMC/NOMA is willing to work with physicians and other groups to help identify solutions to the ongoing medical liability crisis, we will not support any initiative that could jeopardize access to care or wreak havoc on the healthcare delivery system in our area. The AMC/NOMA advocates all physicians in Northern Ohio working together toward a legislative agenda that is politically and legally achievable, and one that provides all physicians with meaningful relief from the medical liability crisis.

Finally, the AMC/NOMA understands that physicians are searching for solutions and ways to express their frustration due to the medical liability crisis. The level of frustration and anger among physicians has risen to the point where some physicians are now talking about participating in a work stoppage to exert pressure on the legislature to enact legislation to resolve the professional liability insurance crisis.

The AMC/NOMA legislative committee has reviewed and approved the attached document regarding the antitrust implications of physician work stoppages. This is presented for educational purposes to aid physicians in their individual decision-making process in determining whether to participate in a work stoppage and should not be taken as a substitute for legal advice. We suggest that individual physicians should contact a private attorney to receive legal advice as to whether they should participate in any work stoppage. AMC/NOMA members are welcome to contact me through the Academy offices at 216-520-1000 with any questions they may have with regard to this memorandum or the attachment.