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NEWS RELEASE

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New 2002 Government Data Dispute Malpractice Lawsuit “Crisis” in Florida

Malpractice Payouts Declined as Insurance Premiums Spiked; 6.2 Percent of Florida Doctors Are Responsible for 52 Percent of Malpractice Payouts

WASHINGTON, D.C. – New government data show that both the number and amount of payments to medical malpractice victims declined in Florida in 2002, casting further doubt on the assertion that lawsuits are responsible for doctors’ insurance premium increases.

According to a Public Citizen analysis of new federal National Practitioner Data Bank (NPDB) records for last year, the total damages paid to Florida medical malpractice victims declined by 4 percent, from \$301.3 million in 2001 to \$289.3 million in 2002. When adjusted for medical services inflation the decline was even more dramatic – 8.4 percent. (See Figure 1 in the attachment.) The cost of medical care typically represents the greatest cost in a medical malpractice payout.

The mean payment per malpractice victim decreased by 1.6 percent in 2002, from \$243,172 in 2001 to \$239,254 in 2002. When accounting for medical services inflation the decline was actually 6.1 percent.

The number of medical malpractice payouts in Florida decreased by 2.4 percent, from 1239 in 2001 to 1209 in 2002. The data bank, a U.S. government agency, collects reports of every judgment or settlement paid to malpractice victims throughout the country by insurance companies on behalf of doctors.

The U.S. Senate is expected to vote Wednesday on legislation that would significantly limit patients’ ability to hold medical providers accountable for negligence. The bill, S. 11, would arbitrarily cap the amount of non-economic damages available to malpractice victims at \$250,000 – penalizing those most seriously harmed by doctors and other health care providers.

The bill's proponents claim that malpractice insurance rates are rising because of malpractice awards to patients, but all available data show that the legal system has no impact on insurance rates. Rather, insurance rates are tied to investment returns from the bond and stock markets and to the competitive economics of the insurance cycle.

"It's clear from these numbers that the insurance premium increases over the past year are not tied to lawsuits," said Joan Claybrook, president of Public Citizen. "The only thing that correlates with the premium increases is the decline in malpractice insurers' investment income."

"Given increasing health care costs, the decline in damages awarded means that malpractice payments are becoming an even more miniscule portion of the nation's overall health care costs," Claybrook said. In 2000, the total amount of premiums paid for malpractice insurance constituted 0.56 percent of all health care expenditures.

According to Public Citizen's analysis of 2002 NPDB data, a small number of Florida doctors are responsible for over half of all malpractice payments, yet disciplinary actions (license suspension or revocation, or a limit on clinical privileges) for these doctors have been few and far between. The data showed that:

- Just 6.2 percent of doctors in Florida made two or more malpractice payouts and were responsible for 52 percent of all payouts between 1990 and 2002. Just 2.2 percent of all doctors have made three or more malpractice payouts, amounting to 25.8 percent of all malpractice payouts in the state. (See Figure 2 in the attachment.)
- Only 13.8 percent (119 of 862) of Florida doctors who made three or more malpractice payouts have been disciplined. Only 20.3 percent (70 of 345) of those doctors who made four or more malpractice payouts have been disciplined. (See Figure 3 in the attachment.)

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Public Citizen is a national, nonprofit consumer advocacy organization based in Washington, D.C. For more information, please visit www.citizen.org.

Figure 1
Medical Malpractice Payouts in Florida, 2001 to 2002

	Number of Payouts	Total Amount of Payouts	Total Payouts Adjusted for Medical CPI (in 2001 dollars)	Mean Payout	Mean Payout Adjusted for Medical CPI (in 2001 dollars)
2001	1,239	\$301,289,600	\$301,289,600	\$243,172	\$243,172
2002	1,209	\$289,257,600	\$275,982,826	\$239,254	\$228,274
Change, 2001-2002	-2.4%	-4.0%	-8.4%	-1.6%	-6.1%

Sources: National Practitioner Data Bank, Sept. 1, 1990 – Dec. 31, 2002. Bureau of Labor Statistics – Medical Services CPI.

Figure 2
Number of Medical Malpractice Payouts to Patients and Amounts Paid by Florida Doctors, 1990-2002

Number of Payout Reports	Number of Doctors that Made Payouts	Percent/Total Doctors (40,898)	Total Number of Payouts	Total Amount of Payouts	Percent of Total Number of Payouts
All	8,144	19.9%	11,732	\$2,579,814,550	100.0%
1	5,628	13.8%	5,628	\$1,302,568,800	48.0%
2 or More	2,516	6.2%	6,104	\$1,277,245,750	52.0%
3 or More	862	2.2%	3,025	\$610,750,700	25.8%
4 or More	345	0.8%	1,602	\$308,847,850	13.7%
5 or More	169	0.4%	966	\$177,974,500	8.2%

*Based on Florida's population of doctors as calculated by the American Medical Association for 1997, the closest year for which such data are available to the mid-point of the time period studied.

Source: National Practitioner Data Bank, Sept. 1, 1990 – Dec. 31, 2002.

Figure 3
Number of Florida Doctors with Two or More Medical Malpractice Payouts Who Have Been Disciplined (Reportable Licensure Actions), 1990-2002

Number of Payment Reports	Number of Doctors that Made Payouts	Number of Doctors with One or More Reportable Licensure Actions	Percent of Doctors with One or More Reportable Licensure Actions
2 or More	2,516	223	9.4%
3 or More	862	119	13.8%
4 or More	345	70	20.3%
5 or More	169	42	24.9%
10 or More	23	13	56.5%

Source: National Practitioner Data Bank, Sept. 1, 1990 – Dec. 31, 2002.

