



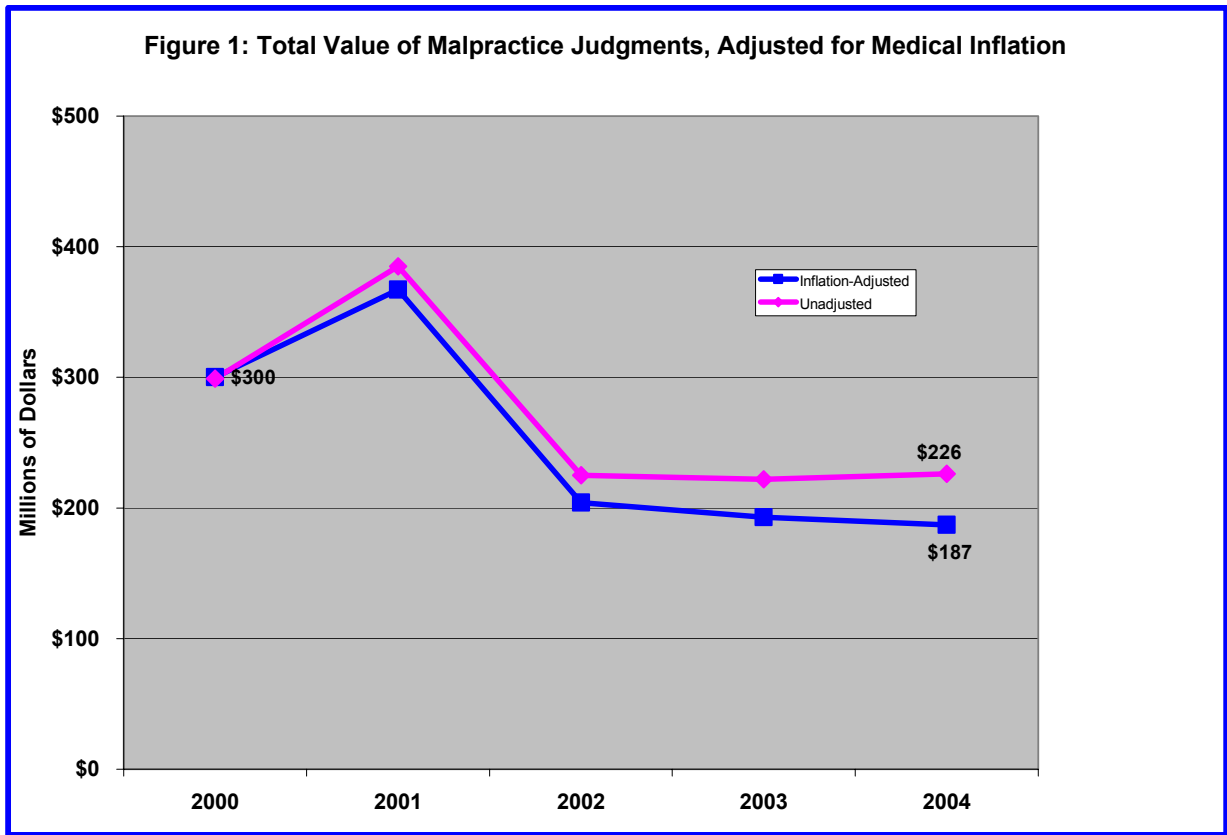
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Joan Claybrook, President

Contrary to Insurers' Claims, Payments for Medical Malpractice Judgments Against Physicians Are Down 38 Percent Since 2000

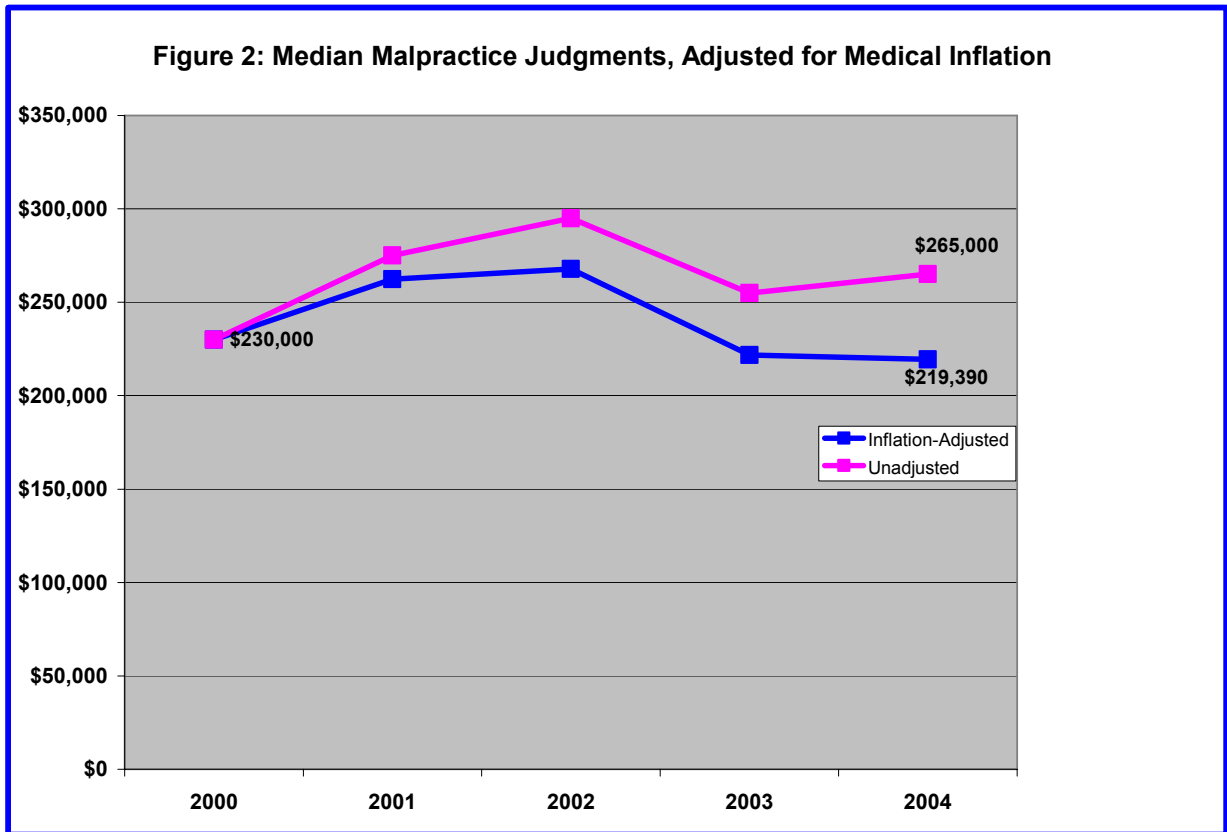
Members of the U.S. House of Representatives are considering legislation to limit the amount victims of medical negligence can recover in lawsuits against medical professionals. Advocates, including the American Medical Association and the Physicians Insurers Association of America, insist that recent hikes in some doctors' malpractice premiums are the result of "runaway" jury verdicts. If patient damages are limited, they argue, premiums will come down.

But a Public Citizen analysis of the latest data from the federal National Practitioner Data Bank shows that jury verdicts are not out of control:

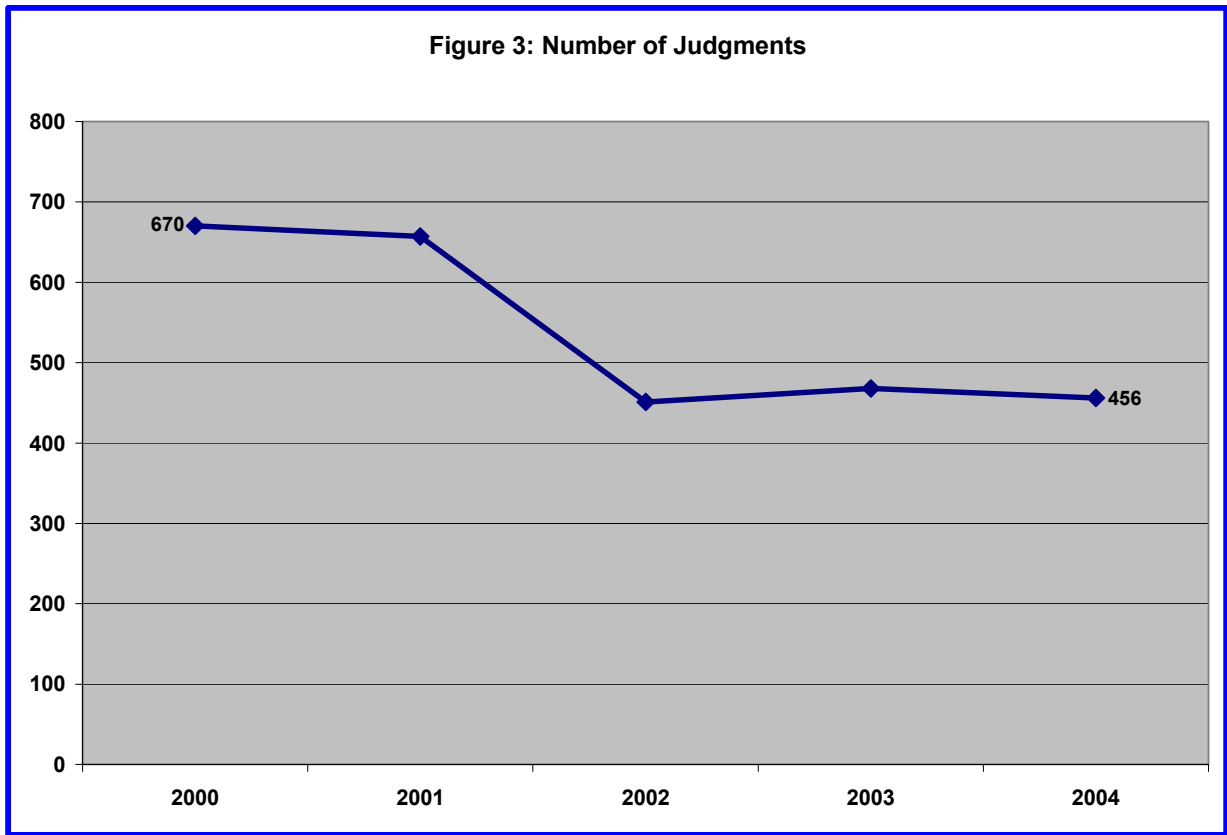
- Total payments for malpractice judgments have fallen 24.5 percent, from \$299.6 million in 2000 to \$226.2 million in 2004. When adjusted for medical inflation (which averages less than 5 percent a year), the total paid for malpractice judgments fell by 37.5 percent, from \$299.6 million to \$187.2 million. (Figure 1)
- The median payment resulting from a judgment appears to have risen, from \$230,000 in 2000 to \$265,000 in 2004. But adjusted for medical inflation, the median payment actually fell 4.6 percent, from \$230,000 in 2000 to \$219,390 in 2004. (Figure 2)
- The total number of judgments against physicians dropped 31.9 percent between 2000 and 2004, from 670 to 456. (Figure 3)
- The number of malpractice judgments against physicians, adjusted for population growth, has fallen 34.6 percent since 2000, from 2.37 per 1 million U.S. residents in 2000 to 1.55 in 2004. (Figure 4)



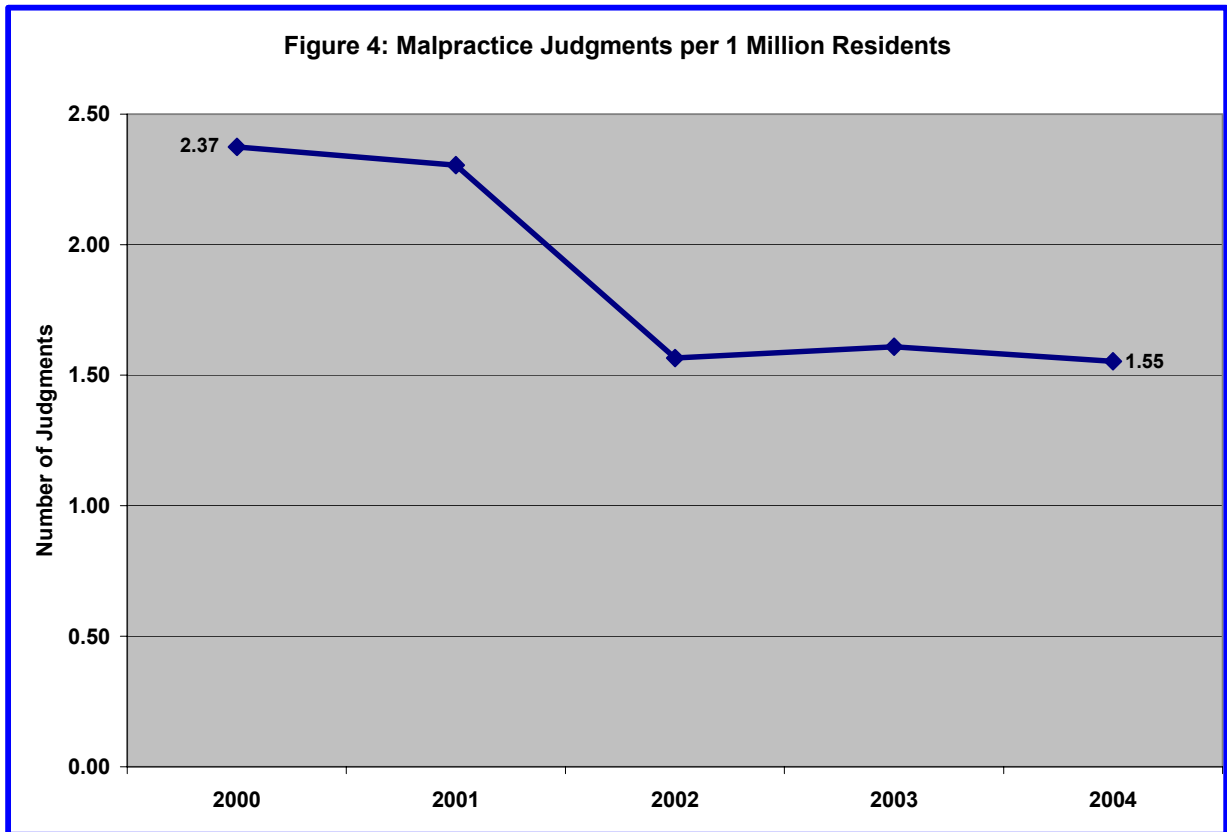
Source: Public Citizen analysis of data from the National Practitioner Data Bank



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About the NPDB

The NPDB contains, among other things, reports on malpractice payments made on behalf of doctors by malpractice payers. Chiefly, these payers are insurance companies, but they also include other entities, such as state-run insurance funds and self-insured health care providers. Those making malpractice payments are required to report them to the NPDB under federal law. Information provided to the NPDB is confidential, but the NPDB makes available a public use file that removes personal identifying information. The NPDB also contains information on disciplinary actions taken against doctors. Within the health care industry, the NPDB's major purpose is to provide a repository of data that those entities employing doctors can query for background checks.

Doctors and their insurers criticize use of the NPDB, saying it provides incomplete information. However, the NPDB is the only nationally mandated source of information for actual payments made on behalf of doctors in malpractice cases. Looking at actual amounts paid out is important because insurers' estimates of future losses to be paid are only that, and often are revised later. Also, large jury verdicts are often later settled at much lower amounts; typically, at the limits of a doctor's insurance coverage. The U.S. Government Accountability Office has used NPDB data in its research, as have academic researchers whose work is peer-reviewed.

July 22, 2005