

**TESTIMONY OF
CONNECTICUT HOSPITAL ASSOCIATION
SUBMITTED TO THE
PUBLIC HEALTH COMMITTEE
Monday, March 20, 2017**

**SB 940, An Act Establishing A Program To Reduce Malpractice Costs And
Requiring A Cool-Down Period Prior To Commencing A Malpractice Action**

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony concerning **SB 940, An Act Establishing A Program To Reduce Malpractice Costs And Requiring A Cool-Down Period Prior To Commencing A Malpractice Action**. CHA supports the bill.

Before commenting on the bill, it's important to point out that Connecticut hospitals provide high quality care for everyone, regardless of ability to pay. Connecticut hospitals are finding innovative solutions to integrate and coordinate care to better serve patients and communities, as well as achieve health equity. These dynamic, complex organizations are working to build a healthier Connecticut. That means building a healthy economy, community, and healthcare system. By investing in the future of Connecticut's healthcare and hospitals, rather than continuing to cut away at them, we will strengthen our economy, put communities to work, and deliver affordable care that Connecticut families deserve.

Connecticut hospitals are absolutely committed to initiatives that improve access to safe, high-quality care and expand access to coverage. We appreciate this Committee's interest in exploring all possible solutions to reducing medical malpractice costs, which may, in turn, reduce healthcare costs.

According to the CT Medical Malpractice Report published by the Connecticut Insurance Department on July 1, 2016, of the 3,227 closed claims reported during calendar years 2011 through 2015, a little over half (54%) of the claims had no indemnity payments, while the remaining 46% closed with indemnity payments totaling \$865 million. The average payment was \$585,778, which includes economic and non-economic damages.

For those claims closed during this five-year period, 2,203 (68%) generated legal expenses to defend the claims. These expenses totaled \$164 million – an average of \$74,388 per claim. Clearly, the expense of litigating these claims results in the diversion of funds from patient care.

Rising medical liability insurance costs have also resulted in funds being diverted from patient care and quality improvement. In addition, the cost of insurance has contributed to the reduction in the number and availability of physicians in specialty service areas throughout Connecticut. These costs compromise the ability of hospitals to ensure on-call and emergency department coverage for these specialty services.

Removing obstacles to access to healthcare is a priority for Connecticut hospitals and we support the testing of measures such as the communication and optimal resolution toolkit developed by the Agency for Healthcare Research and Quality as a means to curtail these rising costs.

The notion of a cool-down period set forth in Sections 2 and 3 of the bill is intriguing. CHA supports any measure that focuses on the need to create an expedited system to resolve disputes between healthcare providers and patients that fairly balances each side's needs, guarantees that due process is observed, and ensures that equitable outcomes are achieved in a timely, efficient, and effective manner.

At present, medical malpractice cases may take ten or more years to get to trial. That situation is bad for all parties involved. CHA recognizes that due process rights and case law necessitate the adoption of clear, unmistakable changes to medical liability laws. Otherwise, efforts to resolve one issue may spawn costly litigation to establish the rules of the program.

CHA and Connecticut hospitals stand ready to address the need for changes to the medical malpractice regime. We would be delighted to participate in any state-sponsored initiative to consider an array of reforms to the system.

Thank you for your consideration of our position. For additional information, contact CHA Government Relations at (203) 294-7310.