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**CONTACT: Kathy DeWittie**  
**717-909-8903**  
[info@3psc.org](mailto:info@3psc.org)

**RENDELL ADMINISTRATION TAKES FIRST MAJOR STEP TO**  
**STABILIZE MEDICAL LIABILITY COSTS**

**HARRISBURG (July 20, 2007)** – Specialty surgeons across Pennsylvania today applauded Governor Rendell’s Administration for taking the first action to prevent another medical liability insurance affordability crisis the beginning of next year.

Pennsylvania Deputy Insurance Commissioner Randy Rohrbaugh today issued a determination to keep the current 50-50 split on the private-public levels of medical liability insurance coverage. State law allowed the Commissioner to change those levels to require doctors purchase \$750,000 worth of medical liability insurance coverage from the private market and the remaining \$250,000 from the state-run Mcare Fund.

The Rendell Administration estimated this shift would result in an automatic 20% premium increase for all physicians. The state’s Mcare Abatement Program has been credited with stabilizing the state’s medical liability crisis of 2002-2004. That program, which provides about 40% of savings in premium costs for high-risk specialty surgeons, is due to expire December 31, 2006.

“Today’s action by the Rendell Administration is good news for specialty surgeons and their patients,” Pennsylvania Physicians for the Protection of Specialty Care – 3PSC Barbara Freiman, MD said. “Our next task is to enact an extension to the Mcare Abatement Program by the end of this year.”

In the announcement issued today Rohrbaugh said, "our priority was to protect the consumers who are accessing health care in the state." Further, Rohrbaugh pointed to an actuarial study by Pricewaterhouse Coopers, which shows continued positive developments for improving the medical liability marketplace but, he said "there are concerns that the composition of the current marketplace would not be in a position to absorb greater risk, so it would be irresponsible to allow an increase in limits to \$750,000 at the primary insurance layer."

Last month specialty surgeons – including the ones staffing Pennsylvania’s trauma centers and emergency rooms – joined together to ask state insurance regulators to hold off on a shift in liability insurance coverage in order to avoid a crisis in premium availability and affordability. Together the shift in coverage levels and the elimination of the Mcare Abatement program would force many specialty surgeons to limit their practice of medicine or stop practicing in Pennsylvania altogether because of the resulting extreme increases in their medical liability insurance premiums.

3PSC President Freiman along with Pennsylvania Neurosurgical Society President Raymond C. Truex, Jr., MD, Pennsylvania Orthopaedic Society President Charles D. Hummer, III, MD wrote Gov. Ed Rendell in June urging the Governor to delay the change in the levels.

Pursuant to Act 13 of 2002, Rohrbaugh is required to determine by July 1, 2007 whether adequate capacity exists in the private medical professional liability insurance market for commercial carriers to increase their coverage level from \$500,000 to \$750,000, with the Mcare Fund providing the remaining \$250,000 coverage.

"I am proud to be a part of the successful partnership with 3PSC and PNS to champion a measure that prevents a 20% increase in liability costs for all physicians in 2008," said POS President Hummer. "A delay in the change of the coverage levels will

allow vital reforms already enacted to be realized in the medical community and the market place.”

The surgeons also thanked Rep. Todd Eachus (D-Luzerne) and leadership in the House and Senate for their efforts to prevent the sudden increase in medical liability premiums.

“Our state regulators have recognized the serious affordability consequences to a change in the coverage levels at this time,” Dr. Truex said. “Our patients may not be aware of the significance of this determination but it’s clear we would have risked another potential New Year’s Eve crisis with trauma centers struggling to stay open without surgeons.”

PNS is a 147-member professional science and education organization representing the Commonwealth’s neurological surgeons. It addresses the concerns of both neurosurgeons and patients in the prevention and treatment of neurological trauma and illness.

POS is a professional medical specialty organization representing more than 900 orthopaedic surgeons across Pennsylvania in advocating for excellence in the practice of orthopaedic medicine. For more information on the importance of bone, joint and muscle health at every age, visit the POS website at [www.paorthosociety.org](http://www.paorthosociety.org).

3PSC represents high-risk specialty surgeons in working with legislators and key decision makers in Harrisburg to enact common sense medical liability and insurance reforms. High-risk specialty physicians are orthopaedic, general and thoracic surgeons, neurosurgeons and obstetricians and other doctors who staff trauma centers and emergency rooms. For more information, visit [www.3psc.org](http://www.3psc.org).

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