

Malpractice fee hikes mean some US MDs can't afford to work

When surgeons in West Virginia walked off the job last month to protest spiralling malpractice insurance fees, they joined a growing procession. Across the country, physicians are curtailing services in emergency rooms and trauma and maternity centres because the fee hikes mean they can't afford to work.

In West Virginia, the strike caused the transfer of patients to neighbouring Ohio or Pennsylvania. But Pennsylvania has a crisis of its own, and its hospitals have begun restricting services because of anticipated work stoppages by physicians, primarily obstetricians and surgeons. One trauma centre in Scranton has already closed, and another in a Philadelphia suburb signalled that it would do the same unless liability insurance becomes more affordable.

Two time zones away, the situation is the same. In rural Arizona, the Copper Queen Community Hospital in Bisbee stopped delivering babies after FPs saw their projected insurance rates jump to US\$57 000 from US\$15 000.

The American Medical Association (AMA), which has put liability reform at the top of its agenda, says at least 12 states have a "full-blown" liability insurance crisis. "No matter where you live or what you do, our nation's deeply flawed liability system makes everyone pay," says Dr. Yank Coble, the president.

Although physicians' insurance costs have traditionally been multiples higher in the US than in Canada, the current increases are unprecedented. In Nevada, an obstetrician who paid US\$40 000 last year is expected to pay US\$150 000 —

Can\$231 000 — this year. In Florida and New York, annual fees of more than US \$150 000 are no longer unusual for obstetricians, orthopods and neurosurgeons. (In Ontario, an obstetrician's Canadian Medical Protective Association [CMPA] fees are Can\$75 084, but they are only Can\$15 813 in Quebec and \$27 348 in the rest of Canada.)

Although rising jury awards — their average has doubled to US\$1 million since 1994 — and inflation share some of the blame, huge investment losses by insurance companies during the 3-year-long stock market dive have forced them to seek new ways to boost revenue. The *Medical Liability Monitor* says insurers who held premiums artificially low to gain a competitive edge during the booming '90s are now trying to play catch-up.

Many companies are getting out of the business altogether. The St. Paul Companies, the nation's largest malpractice insurer, stopped writing premiums for 42 000 physicians in 2001, and this caused havoc in many states.

CMPA spokesperson Barbara Wilson says awards and settlements have been rising in Canada, and particularly in Ontario, but in Canada governments pay most of the cost through subsidies negotiated with medical associations.

The AMA says the solution to the crisis is tort reform based on California's Medical Injury Compensation Reform Act of 1975. It covers medical expenses and other economic damages following a medical misadventure, but discourages frivolous lawsuits by limiting incentives to pursue them. This includes placing a US\$250 000 cap on noneconomic damages.

The result? An obstetrician/gynecologist practising in Los Angeles pays US\$150 000 less for malpractice insurance than one practising in Miami.

Physician anger appears to be having an impact. In mid-January, a West Virginia legislative committee approved a US\$250 000 cap on awards for pain and suffering, and a similar law may soon take effect nationally. On Jan. 16, President George W. Bush called for that same cap on all noneconomic damages in all states. — *Milan Korcok*, Florida

UK buys US blood firm to combat vCJD

Britain's Department of Health has paid £50 million for an American blood plasma company because that is the only way to ensure a plasma supply free of variant Creutzfeldt-Jakob disease (vCJD). Life Resources Inc. will supply

around 45% of the blood plasma required by the National Health Service (NHS), which has been using blood products from the US since 1998 because of its vCJD outbreak. NHS officials note that private American companies had begun buying up blood plasma suppliers in the US. They say this purchase was needed to guarantee that safe blood products would be available.

Despite the purchase, vCJD still casts a large shadow in the UK, where it has caused 117 deaths. In October, 24 patients were informed that they might have been exposed while undergoing surgery at the Middlesbrough General Hospital. Investigators found that instruments used during surgery on a man who later died of vCJD were not properly decontaminated before being reused. Hospital staff did not learn of his illness until after he died.

Current guidelines call for surgical instruments used on any patient suspected

of having vCJD to be quarantined and subjected to strict decontamination procedures. — *Mary Helen Spooner*, West Sussex, UK



vCJD's fallout: first beef, now blood