February 24, 2011

Honorable Members of the House of Representatives
United States House of Representatives
Washington, DC 20515


Dear Representative:

On behalf of the HR Policy Association, I am writing in strong support of H.R. 5 the Help, Efficient, Accessible, Low-cost, Timely Healthcare Act of 2011 (HEALTH Act), which would provide critical reforms to existing medical malpractice laws while maintaining necessary patient protections.

HR Policy Association is a public policy advocacy organization representing the chief human resource officers of major employers. The Association consists of more than 300 of the largest corporations doing business in the United States and globally, and these employers are represented in the organization by their most senior human resource executive. Collectively, their companies employ more than 10 million employees in the United States, nearly 9 percent of the private sector workforce, and 20 million employees worldwide. They collectively spend more than $75 billion annually providing health insurance to millions of American employees, their dependents and retirees.

For years our members have consistently cited increasing medical costs as one of their most serious concerns. Health care costs have been rising at an alarming rate and, without significant changes to cost controls, our members expect to see this trend continue. These costs impede job growth and weaken a company’s ability to compete in the global market place. Frivolous medical malpractice suits and excessive awards unnecessarily add to the cost of health care in this country.

Medical malpractice reform is an important step in helping to control the trend of upward spiraling health care costs. Medical liability lawsuits have resulted in high insurance premiums for medical providers which are passed on to employer-sponsored health care plans and to individual health care consumers. High medical malpractice insurance premiums have led to shortages of certain medical specialists in some states. In addition, fear of medical malpractice suits has led some medical providers to practice defensive medicine by over-utilizing diagnostic tests and procedures, which further drives up health care costs. Unfortunately, the provisions regarding medical malpractice in the recent health care reform law are limited and insufficient. Our members had hoped for stronger measures that would help to contain health care costs.

The HEALTH Act provides important and much needed improvements to medical liability law. It limits awards for non-economic damages to $250,000, while ensuring that patients injured by the negligence of a medical provider are fully compensated for economic damages. The legislation also limits punitive damages at the greater of two times the economic damages or $250,000. It sets certain limits on attorney’s fees to ensure that more of the compensation goes to the injured patient. In addition, it establishes that each medical provider is only responsible for the proportional share of damages caused by his or her negligence.
HR Policy Association believes that such reforms will lower health care costs and strengthen our economic competitiveness. For these reasons, we support the HEALTH Act and look forward to working with you to pass H.R.5. Thank you for your consideration.

Sincerely,

Daniel V. Yager
Chief Policy Officer and General Counsel