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NEWS

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Early Priorities for New Governor, Legislature: Reforming Medicaid and Ending Lawsuit Abuse

HARRISBURG --- With Pennsylvania's budget deficit estimated at more than \$4 billion, one of the most costly challenges facing Gov. Tom Corbett and state lawmakers is financing Pennsylvania's growing Medicaid program, which now consumes nearly one-fourth of all government resources.

Over the last eight years, Medicaid has expanded rapidly. The public health insurance program for those in need, including the frail elderly and disabled individuals, has seen a dramatic increase in eligibility and non-mandated services, all of which may be hard to maintain given the state's fiscal situation.

"It's time to get back to basics," Dr. Stuart Shapiro, President and CEO of the Pennsylvania Health Care Association (PHCA) and the Center for Assisted Living Management (CALM), said during a taping of "Pennsylvania Newsmakers," a statewide public affairs program that begins airing this weekend.

"The question isn't whether the expansion of programs and services was well-intentioned," Dr. Shapiro said. "The question today is whether we can afford them amid very limited revenues. Extra people and extra programs mean extra costs to taxpayers."

Dr. Shapiro suggested that Gov. Corbett catalog all programs and services funded by state government, not just Medicaid services, and take stock of where the money is going. Medicaid is funded by state and federal dollars. Although some programs are mandated by Washington, the state also uses the money to pay for services beyond those required by federal law.

Especially in tough economic times, Dr. Shapiro said, limited Medicaid dollars should be dedicated to meet the needs of federally mandated services in a way that ensures quality care is maintained. Mandated services for the frail elderly, the disabled, and children should head the list.

Dr. Shapiro said the current administration can also generate savings by addressing lawsuit abuse, a priority Gov. Corbett expressed in his campaign. Excessive litigation and damage awards increase health care costs for all Pennsylvanians – providers and consumers – and limit access to medical care.

Among the proposals being considered by the legislature, Dr. Shapiro highlighted three specific measures: the Fair Share Act, "apology" legislation and limits on punitive damages.

Forty states have passed a Fair Share Act to abolish or modify joint and several liability, which unfairly can require a defendant to pay 100 percent of a judgment even if that defendant is found to be only 1 percent responsible during litigation. Sen. Jake Corman and Rep. Curt Schroder have introduced legislation (S.B. 2 and H.B. 1) that would make damage awards proportional to responsibility for the injury or loss.

Apology legislation is another common-sense approach to lawsuit abuse reform. It has no impact on the commonwealth's budget, but results in savings for providers. The measure enables health care professionals to acknowledge mistakes or adverse outcomes without fear of retribution. It does not relieve liability.

Thirty-five states, including the surrounding states of Ohio, Delaware and Maryland, have passed apology legislation. In those states, not only have claims gone down, but customer service ratings have skyrocketed since the legislation encourages open communications between providers and patients.

The third measure would establish reasonable limits on punitive damages for all health care providers.

"The costs of health care and long-term care in Pennsylvania continue to rise, in part, because of unnecessary and frivolous lawsuits and defensive medicine," Dr. Shapiro said. "If we take a stand against lawsuit abuse, we not only would have a fairer system, but we would generate real savings and raise patient satisfaction."

"Pennsylvania Newsmakers," with host Dr. G. Terry Madonna, is one of the state's premier politics and public policy television talk shows. The show will air regionally as indicated below:

- * WGAL Channel 8 (Harrisburg and Lancaster) at 7:30 a.m. Sunday, Jan. 30.
- * WBPH (Lehigh Valley and Philadelphia) at 8:30 p.m. Monday, Jan. 31.
- * WKBS 47 (Altoona) at 11:30 a.m. Saturday, Feb. 5.
- * WPCB 40 (Pittsburgh) at 11:30 a.m. Saturday, Feb. 5
- * CATV Channel 8 at 7 p.m. Tuesday, Feb. 1 and 1 p.m. Wednesday, Feb. 2.

PHCA and CALM are statewide advocacy organizations for Pennsylvania's most vulnerable older residents and their providers of care. Members comprise for-profit, nonprofit and government providers. Together, they represent more than 330 long-term care and senior service providers that care for more than 33,000 elderly and disabled individuals. For more information call 717-221-1800 or visit www.phca.org or www.calmpa.org.

