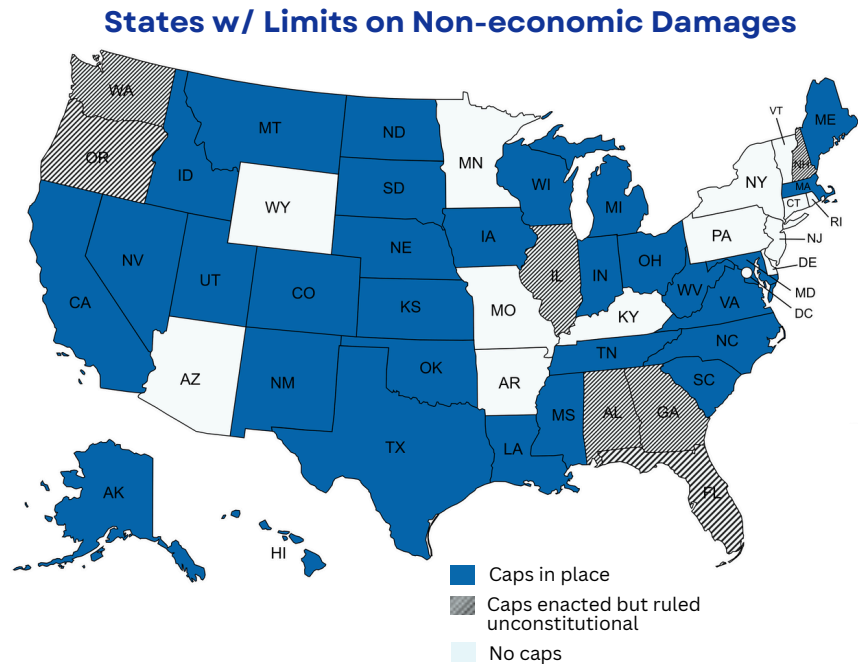


Healthcare Liability Reform

THE CHALLENGE

Five States with the Highest Number of Verdicts Over \$10 million ¹		
State	Verdicts over \$10M since 2016	Caps on Noneconomic Damages
Illinois	47	No
New York	36	No
Georgia	35	No
Pennsylvania	29	No
Florida	29	No

High	47
Low	0
National Average	7



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THE IMPACT

On Providers

Difficulty in finding insurance coverage and reinsurance
Closure of riskier lines of service
Increased liability insurance premiums
Higher deductibles and self-insured amounts
Decreased ability to attract and retain physicians
Increased use of defensive medicine

On Patients



¹As of November 8, 2024.



Healthcare Liability Reform

THE SOLUTION

Allow for a *fair and reasonable* calculation of noneconomic damages.

- There is no objective standard to help a jury determine a fair amount for noneconomic damages such as pain and suffering.
- This allows for a plaintiff's attorney to take advantage of a psychological phenomenon known as anchoring bias, or just "**Anchoring**".
 - The attorney "anchors" a jury by suggesting an arbitrary amount for damages related to pain and suffering.
 - Juries then use these numbers as the starting point for their deliberations.
 - Georgia is one of the few states whose law specifically allows a plaintiff's attorney to urge a jury to award any dollar amount for pain and suffering.
 - Once the plaintiff's attorney suggests an extraordinarily high number, anything less than that feels like a compromise to the jury, leading to extremely high awards that jeopardize providers' ability to maintain their practice. (Similar to raising prices on goods and services to be able to offer them "on sale")

Allow truth in damages.

- Allowing evidence of actual medical expenses will help eliminate "**phantom damages**" (or allow "**truth in damages**"), which are damages awarded based on the "sticker" price of charges versus what the hospital or physician would have received through normal insurance payments.
 - Example: A health insurer might normally pay \$100 for a service provided under their contracted/negotiated rates, but the award in a case is for the original charge of \$500. The \$400 awarded in excess of what the provider would have routinely received for payment is the "phantom damage".
- The disclosure of actual payments will lead to fair awards, help increase access to care across the state, and ensure insurance premiums remain affordable for providers - especially those in rural areas and in high-risk specialties.