



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 7, 2003
(Senate)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

S. 11 - Patients First Act of 2003

(Sen. Ensign (R) NV and 10 cosponsors)

The Administration strongly supports Senate passage of S. 11, legislation to reform the Nation's badly broken medical liability system. This bill is an important step toward ensuring that our liability system fairly compensates those who are truly harmed, does not drive good doctors out of medicine, and increases access to quality, affordable health care.

The President strongly believes that patients who are hurt due to the negligence of a doctor should be able to collect full damages for current and future medical care, therapy, rehabilitation, lost wages, and other economic losses. In cases of egregious misconduct, doctors may be responsible for reasonable punitive damages. Victims of malpractice should also be able to collect non-economic damages, such as for pain and suffering, but within a reasonable limit. The Administration is especially pleased that S. 11 encompasses these reforms.

The Administration believes that these reforms must be enacted to improve our health care system and give more Americans access to the best, most innovative care. Urgent Congressional action is needed because the medical liability crisis has forced some doctors to close their practices and has made it more difficult for patients to access affordable, quality health care throughout the country. In many States that have not enacted meaningful reforms like those contained in S. 11, health care providers are facing enormous increases in their medical liability insurance premiums or are unable to obtain any coverage. Physicians forced to quit their practice leave patients with limited access to trauma care, childbirth care, and other basic medical services. This problem is especially troublesome in rural areas. The fear of massive, unreasonable awards deters efforts to identify and correct errors and drives wasteful expenditures on defensive medicine. The liability crisis, particularly the use of defensive medicine, adds to the costs of Medicare and Medicaid, imposing substantial costs on the Federal government and the Federal taxpayer. Higher costs also frustrate initiatives to improve access to quality, affordable care.

The Administration looks forward to working with the Congress to enact legislation that meets the President's goals of reducing medical malpractice premiums and overall health care costs by limiting excessive non-economic and punitive damage awards, and minimizing frivolous lawsuits and time consuming legal proceedings.

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