

Florida Doctors Pay Liability Premiums Four Times Greater than their Texas Counterparts



William Large

At its November annual meeting, a Florida tort reform advocate gave the TAPA membership a glimpse of what Texas’ medical liability landscape might look like if our Legislature substantially raised or eliminated the state’s non-economic damage cap. And the picture is horrifying.

William Large, President of the Florida Justice Reform Institute, spoke about how he helped pass a non-economic damage cap in his state and then saw it taken away by the Florida Supreme Court.

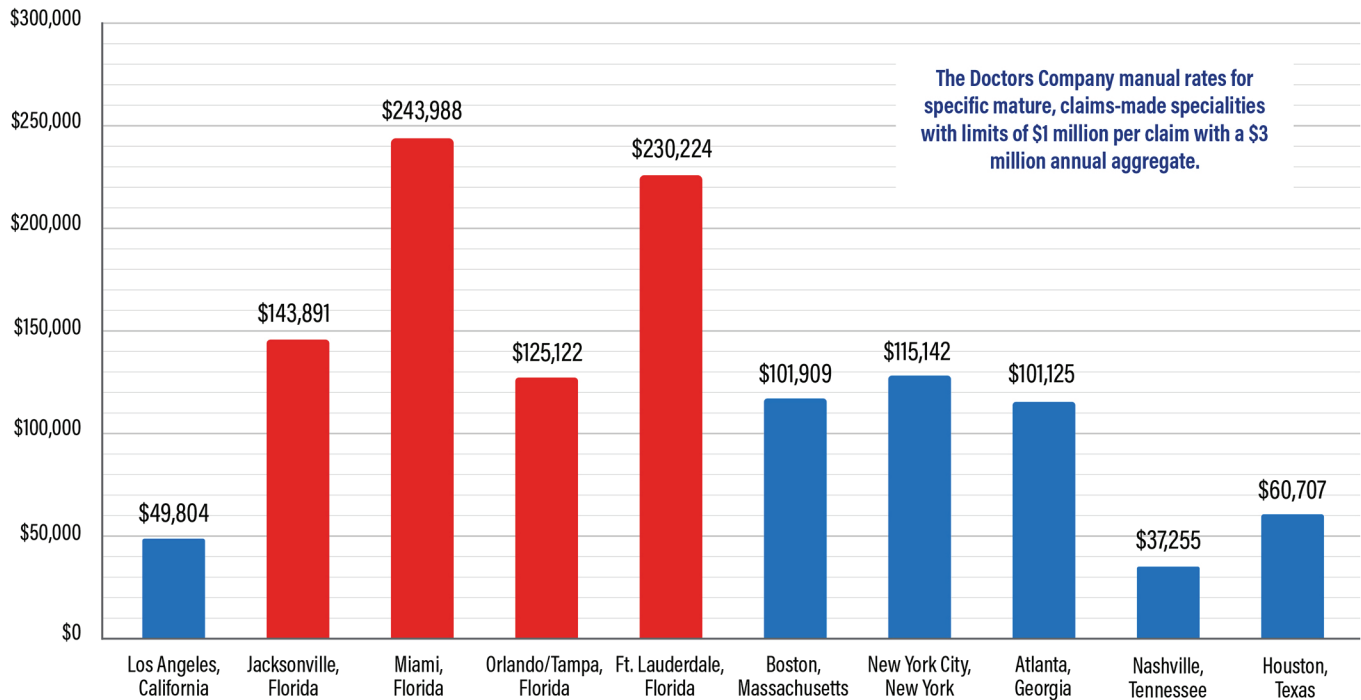
FLORIDA CAP

In 2003, in response to an access to medical care crisis, then-Governor Jeb Bush sought a cap on non-economic damages in medical liability cases to lessen liability insurance premiums and attract more physicians to the sunshine state. Florida passed a \$500,000 cap for physicians and a \$750,000 cap for hospitals and clinics, with the possibility of those amounts being increased in the event of special circumstances.

The Florida cap positively impacted insurance premiums and was working, said Large.

Unfortunately, in 2015, the first of several Florida Supreme Court rulings started eroding the cap and by 2018, it was ruled unconstitutional and void.

OB/GYN



2024 MEDICAL LIABILITY INSURANCE RATES

Source: Medical Liability Monitor Annual Rate Survey
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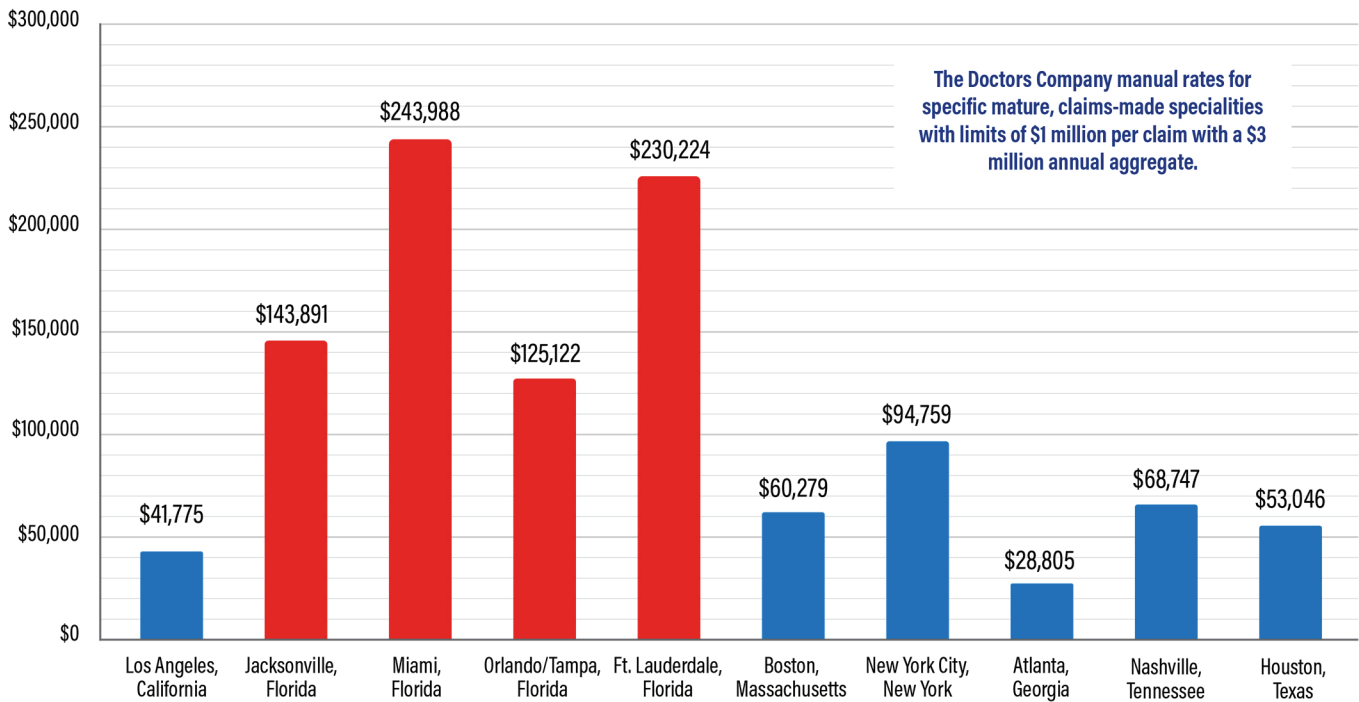
LOSS OF THEIR CAP HAS CREATED A NEW CRISIS IN FLORIDA

Once the cap was declared unconstitutional, verdicts in Florida began to increase and have now skyrocketed to the point that medical liability insurance premiums are no longer affordable. The result has been a critical shortage of physicians in Florida, especially for patients on Medicare, Medicaid, and in rural areas.

Large showed slides comparing the premiums paid by obstetricians, internists, and general surgeons in Florida with the rates paid by their counterparts throughout the country. A Florida doctor's liability premiums are typically nearly four times greater than a Texas doctor practicing the same specialty in a similar area.

For example, a Miami OB/GYN pays \$243,988 in liability premiums for a policy that only cost \$60,707 for a Houston OB/GYN. Likewise, a Fort Lauderdale internist typically pays \$56,365 compared to \$15,797 by their Houston counterpart.

GENERAL SURGERY



The Doctors Company manual rates for specific mature, claims-made specialties with limits of \$1 million per claim with a \$3 million annual aggregate.

2024 MEDICAL LIABILITY INSURANCE RATES

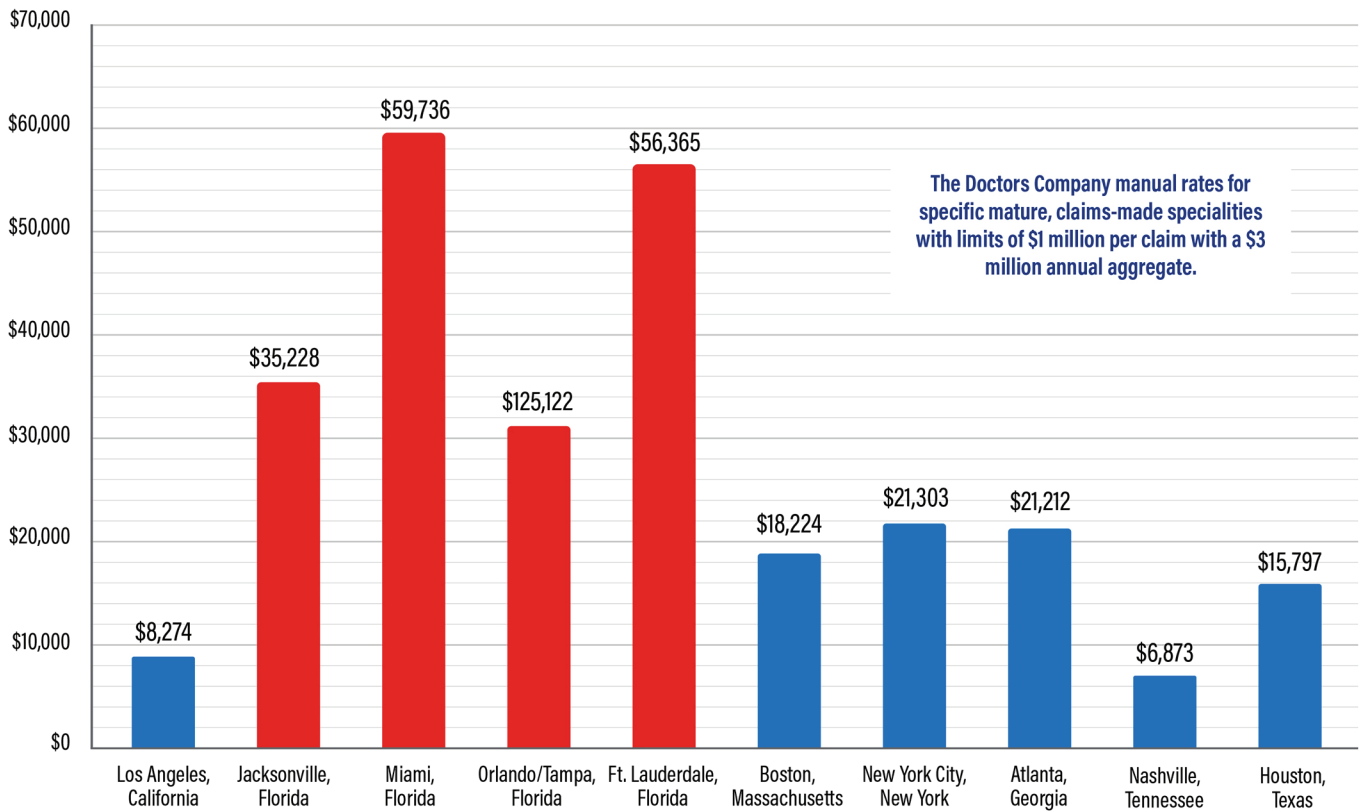
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THE TAKEAWAY

Large warned that losing the non-economic damages cap would be devastating for Texas, just as it had been in Florida. He cautioned that Plaintiffs' attorneys would commission studies and research papers to persuade lawmakers and the public of the evils of damages caps, hoping to build support for an argument they can advance in the Legislature and the courts. Large stressed that misinformation must be refuted and that any unanswered allegations are likely to be accepted as fact.

TAPA must continue to demonstrate why the Texas Legislature was correct in creating non-economic damages caps, and that the difference in Florida liability premiums confirms that effectiveness. Large concluded that patients, communities, health care providers, and even the state benefit from reasonable reforms, and that preserving them is of utmost importance.

INTERNAL MEDICINE



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