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NEWS BACKGROUNDER – **BUSH SPEECH IN ARKANSAS ON MEDICAL MALPRACTICE**

Today, President Bush is holding a roundtable discussion at Baptist Health Medical Center in Little Rock, Arkansas, with “area medical leaders,” to call for limiting the legal rights of patients injured by medical malpractice, saying such laws will lower health care costs. This is a blatant misrepresentation of facts.

This month, the Congressional Budget Office found that “malpractice costs account for *less than 2 percent* of [health care] spending.” Moreover, CBO found that caps would make essentially no difference in health care costs or health insurance premiums; a bill with caps on noneconomic damages and a ban on punitive damages, such as advocated by Bush, “would lower health care costs by *only 0.4 percent to 0.5 percent, and the likely effect on health insurance premiums would be comparably small.*” (emphasis added) Congressional Budget Office, Limiting Tort Liability for Medical Malpractice (Jan. 8, 2004).

Far from addressing so-called “frivolous lawsuits,” the President’s plan would broadly restrict the constitutional rights of all American citizens to go to court while weakening the system’s ability to prevent medical errors. It will do nothing to help doctors who are being price-gouged by insurance companies. Moreover, it will disproportionately hurt the most severely injured Americans, such as seniors in nursing homes, quadriplegic workers and brain-damaged children.

In September 2003, Southwest Region Medical Center in Little Rock stopped delivering babies for reasons having nothing to do with liability costs. The hospital averaged only 12 deliveries per month. Charles Smith, medical director of UAMS Medical Center said that women prefer larger hospitals with the large staff, technology, and equipment to deal with complications. Nell Smith, “Southwest LR Hospital Closing to the Stork,” *Arkansas Democrat-Gazette*, Aug. 28, 2003.

Baptist Health was the most profitable hospital in Arkansas in 2000, with \$18 million in net income. It’s profits increased by over \$4 million in 2001. “Hospitals Struggling to Increase Profits,” *Arkansas Business*, Oct. 7, 2002.

Baptist Health paid its president over \$570,000 in salary and benefits in 2001 – more than double the lifetime limit on non-economic damages George W. Bush wants to impose on all victims of medical malpractice. Several other administrators and physicians were also paid over \$250,000 in 2001 – more than the lifetime cap proposed for malpractice victims. These figures may underestimate their income, as they reflect only salary and benefits paid to them by Baptist Health, not income from private practice or other income-producing activities. Baptist Health, IRS Form 990 (2001), available at <http://www.guidestar.org>