

*A**Hospital**Issues**Alert for**New Jersey's**Opinion**Leaders*

MEDICAL MALPRACTICE: THE CRISIS DEEPENS

All the neurosurgeons in Wheeling, W. Va., have abandoned their practices.

In Philadelphia, Methodist Hospital has stopped delivering babies.

And the American College of Obstetricians and Gynecologists has issued a “red alert” for many states, including New Jersey, warning them of an impending scarcity of OB/GYNs.

The nation’s crisis in medical malpractice insurance has spawned a critical spinoff worry: that access to healthcare services will be jeopardized as physicians and hospitals struggle to cope with rising premiums.

A recent NJHA survey of the state’s hospitals shows that the average hospital’s medical malpractice insurance premium jumped 152 percent in the last three years, from \$373,328 in 1999 to \$942,539 this year. Hospitals also reported that many physicians had lost coverage entirely and were reassessing whether they could afford to continue practicing in the Garden State.

“We should consider this information a wake-up call,” said NJHA President and CEO

Gary Carter. “We should be alarmed that these skyrocketing prices are driving many physicians out of medicine and threaten to have far-reaching effects on our state’s healthcare system.”

In New Jersey, the problem promises to grow even more critical. Financial woes suffered by The MIIX Group, a leading provider of medical malpractice coverage in New Jersey, threatens to leave thousands of physicians uninsured. That will inevitably lead to even higher rates, or – in an even worse scenario – thousands of Garden State physicians who simply cannot find coverage and are forced to stop practicing here.

And those findings came before MIIX announced it would stop renewing policies or issuing new ones later this year as it fights to reorganize.

The combination of forces is raising the very real worry that patients’ access to certain healthcare services may be threatened. Not only are physicians – especially specialists such as OB/GYNs and surgeons – finding it hard to secure insurance, but hospitals may be left with tough choices about where to cut services in order to pay their rising insurance costs. In Philadelphia, for example,

continued on page 2

Malpractice Insurance Crisis By the Numbers

- 74.5 percent of hospitals say they have had physicians dropped from coverage.
- 64.8 percent of hospitals report having physicians leave medicine because they were dropped from coverage or could not afford premiums.



NEW JERSEY HOSPITAL ASSOCIATION
760 Alexander Road, PO Box 1
Princeton, New Jersey 08543-0001

Issues Alert for Opinion Leaders

NJHA WEB SITE SEEKS MORE HEALTHCARE HEROES

Cruising for a career in healthcare just got a little easier, thanks to a comprehensive new Web resource by NJHA's Center for Nursing and Health Careers.

The Web site, www.njha.com/healthrecruitment/, comes under the banner "Heroes Come in All Kinds of Uniforms. It includes more than 25 pages of useful information on career options in nursing and allied health professions such as pharmacy, social work, radiology and physical therapy. The site describes an array of health-related professions and shares information such as salary and educational requirements. Health-related programs at New Jersey colleges and universities are also included.

It's all part of NJHA's ongoing commitment to find

long-term solutions to the nation's longstanding healthcare worker shortage. NJHA has committed \$250,000 to the Center for Nursing and Health

Careers for a variety of outreach and relationship-building efforts aimed at enticing more individuals to pursue the rewards of a career in healthcare.

"That's part of the important message we must spread: that a career in healthcare, in addition to the tangible benefits such as increasing pay and generous benefits, also brings the incredible personal satisfaction that you can make a difference in the lives of others," says Barbara Tofani, RN, the Center's director.

For more information on NJHA's Center for Nursing and Health Careers, call 1-888-CARE-896 or e-mail centerfornursing@njha.com.

***Do you have
what it takes to be
a healthcare hero?***
Log on to www.njha.com/healthrecruitment/
to find out.

MEDICAL MALPRACTICE: THE CRISIS DEEPENS Continued from Page 1

Thomas Jefferson University Hospitals recently announced that they are laying off nearly 200 employees – all to free up money for their skyrocketing professional liability insurance premiums.

Other hospitals are being forced to consider other areas where they could cut costs. Member responses to NJHA's survey bears this out. Said one hospital executive: "Greater dollars geared to insurance premiums result in a corresponding decrease in funds for patient services."

And another: "We will not be able to afford to care for the uninsured, underinsured, self-pay population if all excess monies are diverted to pay for insurance."

And another: "The ongoing pressure on doctors will make it increasingly difficult to attract and retain doctors in certain specialties. For the consumer, it shrinks the pool of doctors; some will delete certain services. It puts the real loss back to the public."