

Statement of

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On behalf of

The Hospital and Healthsystem Association of Pennsylvania

for the

Senate State Government Committee

Chairman Dush and Chairman Santarsiero, thank you for the opportunity to speak with you and your fellow committee members this morning. I am an Emergency Physician and the President and Chief Executive Office at Reading Hospital, in West Reading, Pennsylvania.

We are a 700 bed Acute care hospital servicing Central and Southeastern Pennsylvania. We operate one of the busiest Level 1 Trauma Centers and the busiest Emergency Department in Pennsylvania. We have a Level III NICU, providing state of the art care to the most vulnerable and fragile patients in our community. We deliver over 3000 infants a year in our delivery room.

The liability climate in the commonwealth has almost paralyzed us since the 2022 ruling that allows venue shopping. To provide tertiary-level care, it is crucial that we partner with quaternary centers in Philadelphia to assure our patients are receiving the best possible treatment, right at home, and do not require dangerous and costly activities that come with the transfer of care to Philadelphia.

The issue we live with, both as a physician and as a steward of our community's resources, is that it is more and more difficult, to near impossible, to get the physician expertise into the commonwealth due to the liability landscape.

Malpractice liability costs have gone up exponentially over the last several years both to the physicians and to hospitals. These costs, as well as the dramatically increased costs for both supplies and labor, combined with flat if, not reduced net revenues are crippling an already fragile healthcare infrastructure. Almost every healthcare organization in the region has had to significantly increase their malpractice reserves these last years.

Undesired patient outcomes is not something that ANYONE, patient, families, physicians or hospitals ever want to occur. We spend millions of dollars annually on people, technology and mechanisms which identify and mitigate all areas of patient harm. The fact is, that human beings and the human body is not perfect and cannot withstand certain trauma or conditions that may assault it. People go into healthcare

knowing that they are going to whatever we can do to prevent illness and injury, yet we all learn from early in our training, sometimes that is just not possible.

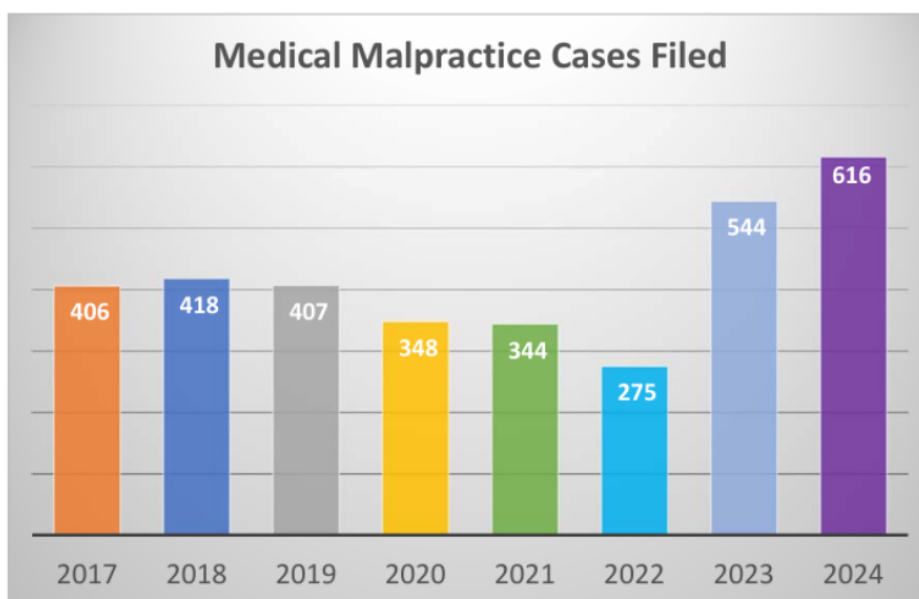
Since the venue ruling of 2022, we have seen our malpractice cases being judicated in Philadelphia rise to 50%. We have also seen cases “held” or “sat on” until January 1, 2023, so that they could be filed in a county outside of Berks County. This adds more strain to an already overburdened system, and exponentially increase the agony suffered by patients and staff involved. In 2023, the State average number of verdicts awarding over \$10 million was 5.6%. During that same time-period, in Philadelphia, 21% of those verdicts were over \$10 million. Ten years ago, that number was 7.4% of Philadelphia verdicts were that high. It has tripled in 10 years. The incentives are misaligned.

41% of the cases filed in Philadelphia were for care delivered outside the city. Before the venue change, pre-2023, Philadelphia there were about 31 new malpractice cases a month filed in Philadelphia. It has now jumped 46% to 51 a month.

Medical Malpractice Cases Filed

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Avg./Mo.
2017	45	34	26	32	50	39	36	33	20	22	34	35	406	34
2018	44	31	29	37	33	33	42	29	36	47	35	22	418	35
2019	24	27	31	40	38	48	36	26	36	25	32	44	407	34
2020	29	33	29	31	24	28	33	36	19	33	30	23	348	29
2021	32	32	31	32	37	23	32	23	26	24	39	13	344	29
2022	18	24	23	24	20	26	21	21	28	20	25	25	275	23
2023	70	47	38	50	53	42	43	50	31	44	33	43	544	45
2024	42	42	51	59	55	57	46	54	36	56	48	70	616	51

Medical Malpractice Cases Filed



I had the honor of serving on the Pennsylvania Trauma Systems Foundation for 12

years, two of which I was Chair. A robust trauma network is crucial for the health of our communities. This means having resources, physical and human, available 24 hours a day, seven days a week, 365 days a year. Taking call for Trauma is the number one reason citing by physicians for not coming to Reading Pennsylvania when looking for employment. Orthopedic Surgeons, Neurosurgeons, Cardiac Surgeons, all needed for care of the injured patient, have the highest liability rates in the state. This drives up the overhead for services provided by these physicians, making running a medical practice nearly impossible. Hospitals tend to employ these practitioners to assure the community safety net yet need to pass those costs on to the public. This contributes to the unsustainable rising costs of healthcare.

It is crucial to point out the cost and diversion of resources involved with practicing defensive medicine. This is where fear of litigation supersedes clinical judgement and scientific data. A recent study from Harvard Medical School showed that between 26 and 64% of physicians practice defensive medicine. The rates are higher in areas such as Obstetrics and Gynecology and Emergency Medicine. The cost is in the billions.

I will leave you with a real story of a case at Reading Hospital. It unfortunately involved a woman who presented to our ED in labor, not having had received pre-natal care. The child had a difficult delivery and an emergency cesarian section needed to be performed. The child suffered some effects of lack of pre-natal care and prolonged delivery and is now developmentally delayed. A lawsuit was filed in Philadelphia. Attempts to settle were futile initially, and the case went to trial. During the trial, plaintiff's attorney did request a settlement, which was agreed to. They would not agree to a non-disclosure, we were surprised, but anxious to get this behind us and our doctors and nurses back to Reading where we deliver over 3000 healthy babies annually, and their services were desperately needed.

To our surprise the next day a press release came from the law firm and their website stated "\$X million recovered from Reading Hospital. Call us for a free consultation".

I am not certain how that helped the child with a disability.

Thank you.