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Dear Members of the Senate Consumer Protection and Professional Licensure Committee,

You have heard testimony regarding the history of this issue, now I would like to address some of the impacts. Massive verdicts can wipe out specialty practices and cause insurance premiums to continually increase. These changes limit the public's access to physician care while simultaneously placing financial strains on those practices that remain.

Obstetrics, the care of the mother and child surrounding birth, is a medical specialty of particular concern. Demographic and cultural shifts had already placed this vital care in rural parts of the Commonwealth at risk. Recission of the venue rule has served to exacerbate the situation. Rapidly increasing liability costs are making Pennsylvania less attractive to OB-GYN practitioners.

Analysis by the American Medical Association of medical liability premiums from selected insurers should serve as a warning. Looking at a study of premiums by specialty and geographic location, among the states with the highest one-year premium increases between 2023 and 2024, Pennsylvania ranked second only to Hawaii, with approximately one-half of premiums jumping 10% or more between 2023 and 2024. Of particular note, the study showed a more than 20% premium increase in that one year for OB-GYN practitioners in Philadelphia. (AMA Policy Research Perspectives, Hardiman). Remember, the recission of the venue rule took effect January 1, 2023.

This premium increase demonstrates one immediate negative impact of the venue rule

recission. As the insurance industry keenly observes the medical liability insurance market and the factors that influence it, the inescapable conclusion is that the industry is boosting premiums in an attempt to insulate itself from a worsening environment for the provision of obstetric and gynecological care in Pennsylvania.

While the 20% increase occurred in Philadelphia, the effects of the venue rule recission will continue to reverberate across the Commonwealth. It is reasonable to conclude that premiums for OB-GYN physicians in less-resource available rural parts of the Commonwealth have increased, and will continue to increase, at even higher rates.

The impact goes beyond higher insurance premiums. Each year fewer and fewer rural hospitals deliver babies. One study found that 46% of rural hospitals in Pennsylvania stopped providing obstetrics care between 2010 and 2022. (<https://penncapital-star.com/health-care/us-hospitals-including-in-pennsylvania-see-stark-decline-of-obstetric-services-study-shows/>) Forces have combined to create maternity care deserts in Pennsylvania. Today, more than 12 percent of all Pennsylvania women, and 47 percent of women in rural counties, live more than 30 minutes from a birthing hospital. (<https://www.marchofdimes.org/peristats/assets/s3/reports/mcd/Maternity-Care-Report-Pennsylvania.pdf>)

Access to maternity care will only continue to worsen as premiums continue to increase. Hospitals will continue to drop higher-risk obstetrics care while increasing numbers of OB-GYN physicians will leave Pennsylvania to practice in states with more reasonable and fair legal environments.

“Those who cannot remember the past are condemned to repeat it.” George Santayana famously said more than a century ago. They are as apropos today. By rescinding Rule 1006(a.1), the Supreme Court has condemned Pennsylvania to repeat the health care crisis of the late 1990s. The early returns show clearly that Pennsylvania is headed back to that unsustainable environment.

When the Supreme Court rescinded the venue rule it included a requirement that the Civil Procedure Rules Committee review the change two years after taking effect. That review came due January 1, 2025. Now nearly ten full months later and we still have no report or update from the rules committee.

The time to act is now. If and when the rules committee issues its report, it is difficult to see how its conclusions can differ from what has been reported here. Passage of Senate Bill 125 will mark the first step in the path to returning Pennsylvania to a sustainable trajectory for the provision of health care. By vesting the authority to set civil venue with the General Assembly, the proposed constitutional amendment will move the venue determination closer to the people of Pennsylvania, the very people that we physicians have sworn an oath to care for.