

Statement of

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Endless Mountains Health system

for the

Senate State Government Committee

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Chairman Dush, Chairman Santarsiero, members of the committee—thank you for the opportunity to speak with you today the impact of Pennsylvania’s medical liability environment on health care and our ability to continue to serve our community.

My name is Loren Stone. I am the chief executive officer for Endless Mountains Health System (EMHS). I have been in healthcare for my entire career of 33-years. I currently serve as CEO and CFO of EMHS. I have served as CEO for nine years and prior to that had roles as Executive Vice President and CFO for 12-years.

EMHS is a 25-bed Critical Access Hospital (CAH) located in Montrose, Susquehanna County. EMHS’ primary and secondary service area encompasses a population of approximately 18,000 residents.

EMHS provides primary care and specialty medical services. Specialty care is provided by physicians who practice outside of Susquehanna County, in Lackawanna County which has historically been identified as a higher- than-average medical liability award county.

During my time as a healthcare administrator, Pennsylvania’s medical liability environment has evolved since the enactment of the Medical Care Availability and Reduction of Error (MCARE) Act (Act 13 of 2002). While the MCARE Act sought to maintain access to care, stabilize premiums, reduce frivolous claims, and ensure patient safety, challenges persist—particularly for rural hospitals, critical access facilities, and independent providers struggling with rising liability insurance costs.

A critical issue re-emerged in 2022 when the Supreme Court repealed the venue shopping rule established with the passage of the MCARE Act in 2002. This has significant potential to reverse the positive impacts that MCARE had on healthcare providers across the Commonwealth.

The Act contributed to a significant reduction in medical liability filings statewide—from over 2,700 in 2002 to fewer than 1,500 annually by 2015. [Sources: PA General Assembly; PA Courts]

The Rural and Critical Access Hospital Perspective

Pennsylvania’s rural hospitals and Critical Access Hospitals (CAHs) operate on thin or negative margins, often serving a significant population of elderly and underinsured patients. A 2023 Pennsylvania

Hospital and Healthsystem Association report noted that 17 rural hospitals remain at risk of closure, with liability costs cited among contributing financial pressures.

EMHS' liability insurance premium cost has increased 117% in the last five years. This increase reduces EMHS' ability to recruit additional healthcare providers and staff and decreases spending on technology and infrastructure. High insurance cost drives provider shortages—particularly in obstetrics, general surgery, and emergency medicine. Rural communities already have experienced the impact of medical liability and physician shortages on obstetrics programs

The medical liability climate does lead to physician exodus from the state. I personally experienced two regional physicians move from Pennsylvania during the early 2000s medical liability crisis. Recruitment and retention in rural areas is already challenging and increased cost of medical liability insurance as well as uncertainty of a case being brought are additional barriers to recruitment and retention.

Hospital providers have embraced MCARE and the patient safety requirements of ACT 13. It is not just a procedural requirement; it is an organization-wide culture that is practiced. The venue shopping prohibition did make a difference for providers in Pennsylvania. Patient access in rural communities could be improved through tele-health and other technologies but it may be slowly adopted if the remote providers are practicing in areas with higher jury awards for medical liability cases.

I support the passage of Senate Bill 125 to ensure a deliberate and collaborative approach through the legislative process of determining venue that echoes the work of 2002 and intent of the MCARE act of improving the medical liability climate in Pennsylvania and preserving access to care for all Pennsylvanians.