

SENATE JOINT RESOLUTION NO. 32

INTRODUCED BY D. GRIMES

BY REQUEST OF THE SENATE JUDICIARY STANDING COMMITTEE

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING THE LEGISLATIVE COUNCIL TO APPOINT AN INTERIM COMMITTEE OR DIRECT STAFF RESOURCES TO STUDY THE RELATIONSHIP BETWEEN COSTS OF PROFESSIONAL LIABILITY INSURANCE FOR HEALTH CARE FACILITIES AND PROVIDERS, EXISTING OR POTENTIAL RELATED TORT REFORM MEASURES, AND ACCESS TO AFFORDABLE HEALTH CARE IN MONTANA; AND REQUIRING A REPORT OF THE FINDINGS OF THE STUDY TO THE 59TH LEGISLATURE.

WHEREAS, many health care providers in Montana are alarmed at the rising cost of professional liability insurance; and

WHEREAS, the Legislature has determined that a shortage of health care providers in the state and an inability to attract health care providers to the state would pose a serious threat to the health, welfare, and safety of the people of the state; and

WHEREAS, the number of insurance carriers that provide professional liability insurance for hospitals, clinics, and nursing homes has declined significantly in the past few years; and

WHEREAS, dramatic hikes in the prices paid by hospitals, clinics, and nursing homes for professional liability insurance, in some cases by as much as 1,000% over the past 2 years, are a major contributor to the escalation in the cost of providing medical treatment; and

WHEREAS, increased premiums for professional liability insurance for healthcare facilities and providers are forcing physicians and other providers in rural areas of Montana to consider curtailing certain medical services; and

WHEREAS, the National Council of State Legislatures has identified seven methods of cost containment, of which Montana does not have two -- limits on attorney fees and expert witness criteria; and

WHEREAS, the State of Montana has a compelling state interest in ensuring that affordable health care is available for its citizens, and stabilization of premiums for professional liability insurance for health care facilities and providers will contribute toward cost containment for health care for Montana citizens.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE

STATE OF MONTANA:

That the Legislative Council be requested to designate an appropriate interim committee, pursuant to section 5-5-217, MCA, or direct sufficient staff resources to study the relationship between costs of professional liability insurance for health care facilities and providers, existing or potential related tort reform measures, and access to affordable health care in Montana. The study must include:

- (1) a review of measures adopted by other states to address the professional liability insurance problems related to professional liability insurance for health care facilities and providers;
- (2) strategies for increasing access to affordable liability coverage, including alternative sources of liability coverage, especially for health care facilities and providers in rural communities;
- (3) the relationship between the cost of liability insurance for health care facilities and providers and potential related tort reform measures;
- (4) additions to the state's liability reforms already in place; and
- (5) strategies for resolving liability claims outside of the court system and for preventing the filing of frivolous claims, including revisions to the Montana Medical Legal Panel.

BE IT FURTHER RESOLVED, that the study committee or staff be directed to request information and assistance from representatives of the insurance industry related to professional liability insurance for health care facilities and providers, medical services facilities and providers, associations of trial and defense attorneys, and other interested persons.

BE IT FURTHER RESOLVED, that the committee or staff be directed to develop a specific list of options for consideration, including an option of no action, to be considered for recommendation to the 59th Legislature.

BE IT FURTHER RESOLVED, that, if the study is assigned to staff, any findings or conclusions be presented to and reviewed by an appropriate committee designated by the Legislative Council.

BE IT FURTHER RESOLVED, that all aspects of the study, including presentation and review requirements, be concluded prior to September 15, 2004.

BE IT FURTHER RESOLVED, that the final results of the study, including any findings, conclusions, comments, or recommendations of the appropriate committee, be reported to the 59th Legislature.

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