

The Texas Model: Improving Health Care through Tort Reform

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Prior to 2003, the State of Texas was in a medical crisis. Doctors were being sued at record pace and for record sums as there was no cap on non-economic damage awards. This caused malpractice rates to rise significantly. One out of four doctors had a claim filed against them each year. Even though 85 percent of those malpractice claims failed to reach trial, they still cost an average of \$50,000 to defend. And for those that did reach trial, the cost was rising as well, to about \$1.4 million.

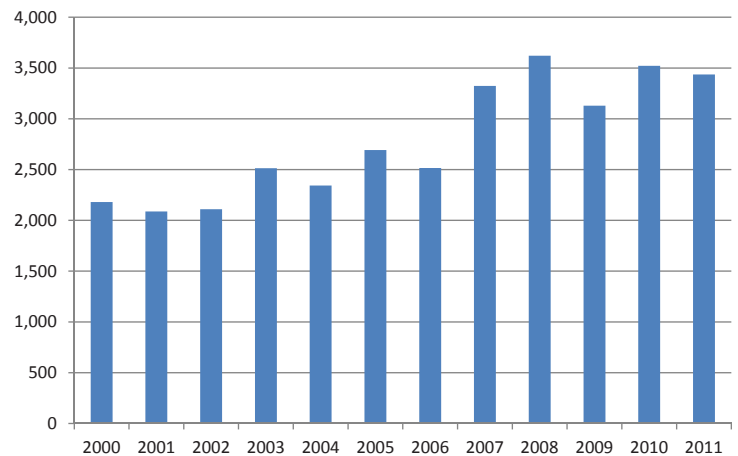
As a result, many doctors were choosing not to practice in Texas. In 1998, there were 2,866 newly-licensed physicians in the state. By 2002, that number dropped to 2,110, even as the general population in Texas was expanding. By 2003, Texas ranked 49th out of the 50 states in doctor-per-citizen ratio. Out of Texas' 254 counties, over 150 did not have an obstetrician, and 120 did not have a pediatrician. In the two years preceding reform, some 5,001 high-risk specialists limited their practice leaving only 5,674 of the 10,675 licensed high-risk specialists actually providing a full range of services to their patients.

In June of 2003, the Texas Legislature passed a comprehensive package of medical liability reforms to fix the medical care crisis in the state. It worked.

Since 2003, Texas has seen a remarkable medical turnaround. 24,583 new physicians have been licensed in Texas. The Texas Medical Board (TMB) has received 83 percent more applications and licensed 60 percent more doctors in the past four years than in the four years preceding reform. Today, Texas has more physicians per capita than ever before.

Texas is also seeing doctors return to previously underserved areas. The number of obstetricians practicing in rural Texas

Newly Licensed Physicians by Year



Source: Texas Medical Association

has grown by 27 percent. Twenty-two rural Texas counties have added at least one obstetrician since 2003, including ten counties that previously had none. Post-reform, Texas has licensed 212 orthopedic surgeons, representing a 15 percent increase in the number of Texas orthopedists in the past six years.

This unprecedented growth has much to do with the passage of medical malpractice tort reform. According to a Texas Medical Association survey, nearly 95 percent of physicians who were in residency or practicing medicine in another state in September of 2003, and who later came to Texas, said Texas' liability climate was "very important" or of "moderate importance" in their decision to practice in Texas. Additionally, nearly 80 percent of the responders rated Texas' liability climate as "better" or "much better" than the state in which they previously practiced. Tort reform saved Texas from a medical crisis. ★

