

Senate Bill 455

By: Senator Thomas of the 10th

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 1 of Chapter 7 of Title 31 of the Official Code of Georgia Annotated,
2 relating to the regulation of hospitals and related institutions, so as to provide that a hospital
3 or other medical facility shall not require a licensed physician to have malpractice or
4 professional liability insurance coverage in order to treat patients at the hospital; to prevent
5 insurers from penalizing such hospitals or other medical facilities; to provide an effective
6 date; to repeal conflicting laws; and for other purposes.

7 WHEREAS, over the past several years, doctors have experienced a considerable increase
8 in the cost of medical liability insurance premium rates as a result of medical malpractice
9 litigation; and

10 WHEREAS, between 1994 and 2001, the typical malpractice award increased by an
11 astonishing 176 percent to an average of \$1 million per court case; and

12 WHEREAS, the result of such skyrocketing awards has been enormously expensive
13 malpractice insurance premiums for health care providers, which in turn has led to
14 unbearably high costs for the United States health care system as well as reduced access to
15 quality medical services for patients in this state and across the nation; and

16 WHEREAS, in 2001, total premiums for medical malpractice insurance topped \$21 billion,
17 more than double the amount from just 10 years earlier; and

18 WHEREAS, the American Medical Association asserts that over the past two years,
19 physicians across the country have faced medical malpractice insurance premium increases
20 ranging from 25 percent to 400 percent; and

1 WHEREAS, the high cost of medical liability insurance is causing needless suffering for
 2 patients and portends a medical liability crisis in this state unless preventive action is taken;
 3 and

4 WHEREAS, outrageously high medical malpractice insurance premium rates have caused
 5 many doctors who offer life-saving services to relocate, change specialties, or retire from
 6 their practices altogether.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Article 1 of Chapter 7 of Title 31 of the Official Code of Georgia Annotated, relating to the
 10 regulation of hospitals and related institutions, is amended by inserting immediately
 11 following Code Section 31-7-7.1 a new Code Section 31-7-7.2 to read as follows:

12 "31-7-7.2.

13 (a) No hospital or other medical facility as defined in Code Section 31-7-1 shall require
 14 a licensed doctor of medicine, doctor of podiatric medicine, doctor of osteopathic medicine,
 15 or doctor of dentistry who has fulfilled the licensing requirements of this state and the
 16 educational and board requirements of a specialty or subspecialty to have malpractice or
 17 professional liability insurance as a condition of being granted the privilege of treating the
 18 doctor's patients at the hospital or other medical facility.

19 (b) No insurer doing business in the state and authorized to issue contracts under Title 33
 20 shall deselect, terminate the services of, require additional utilization review, reduce
 21 capitation payment, or otherwise penalize a hospital or other medical facility which acts
 22 in compliance with the provisions of subsection (a) of this Code section."

23

24 **SECTION 2.**

25 This Act shall become effective upon its approval by the Governor or upon its becoming law
 26 without such approval.

27 **SECTION 3.**

28 All laws and parts of laws in conflict with this Act are repealed.