

STATISTICS DON'T SUPPORT BUSH'S CLAIM THAT TORT REFORM WILL MINIMIZE COSTS

Arguing that his economic policies consist of more than tax cuts geared to the wealthy, President Bush maintained last week in his year-end press conference that tort reform is a key part of his "pro-growth" agenda, saying that it, "would have made a difference" to benefit the economy. Earlier this year, the president went further, saying that the proliferation of medical malpractice lawsuits are "a national problem that needs a national solution." But a recent study by the National Center for State Courts found that medical malpractice lawsuits per capita actually decreased in the most recent ten-year period examined.

The president has tried to qualify his support for tort reform by insisting it's needed for plaintiffs with a "legitimate claim . . . [who] deserve a court that is uncluttered by frivolous and junk lawsuits." But the American Bar Association recently found that only a fraction of civil cases filed - 1.8 percent - went to trial. Fewer cases went to trial in 2002 than in 1962.

While Bush claims, "everybody pays more for health care" due to "excessive litigation," a study released last month shows that medical malpractice insurers have raised rates on doctors well beyond the cost of payouts, particularly since 2001. Payouts and premiums for medical malpractice claims accounted for less than one percent of total health care costs.

Even the president of the American Tort Reform Association said in 1999, "We wouldn't tell you or anyone that the reason to pass tort reform would be to reduce insurance rates."

Medical malpractice costs as a proportion of national health care spending are less than 60 cents out of every \$100 spent. In fact, malpractice premiums as a percentage of all health costs have declined from 0.95% in 1988 to 0.56% in 2000. On the other hand, prescription drugs costs make up about 11% of all health costs - the second largest portion after hospital spending - and are projected by the Centers for Medicare and Medicaid Services to reach 14% in 2010. Despite these facts, the president chooses to support a Medicare bill that would prevent the Medicare administrator from negotiating lower prescription drug costs.