It is an honor to be with the many hardworking healthcare professionals from Driscoll Children’s Hospital, and with the president-elect of the American Medical Association, a family doctor from Tupelo Mississippi, Dr. J. Edward Hill.

It has been about a year since I signed into law major reforms to our medical liability laws, and almost as long since voters approved those reforms at the ballot box.

One year after the Legislature and voters acted, we have good news: Texas patients are experiencing better access to healthcare, communities are recruiting new physicians, insurance costs are down significantly for many hospitals and some doctors, and health care lawsuits have declined dramatically.

The medical insurance reforms we passed last year are healing healthcare and protecting patients.

Today, medical liability rates are stable, and in some cases lower. Last year they were skyrocketing.

Today, insurance providers are seeking to enter the Texas market. By last year all but four had left.

Today, fewer medical lawsuits are being filed. Last year our courts were flooded with them.

And today, Texas communities are finding it easier to recruit new doctors. Last year, the healthcare exodus was well under way.

Simply put, our reforms are healing healthcare and protecting patients.

And the prognosis for continued improvement is very good once the courts are unclogged from the avalanche of lawsuits filed just before the new law took effect on September 1st of last year.

The Texas Hospital Association announced yesterday that our state’s hospitals are experiencing a 17 percent reduction in insurance costs.

Today’s declining insurance rates are a stunning turn-around from 2003’s skyrocketing premiums, which went up an average of more than 50 percent in 2003.

The largest policy writer in Texas for hospitals, Healthcare Indemnity, Incorporated, has reduced rates by 20 percent.

In many cases, hospitals are pouring these savings into expanded charity care for needy Texans, or purchasing new medical technology.

We also know that at least 10 different insurance companies are seeking entry into the
Texas market to provide coverage for physicians.

What a contrast that is to a year ago when 13 of 17 medical liability insurance carriers had left our state.

With the Texas Medical Liability Trust, the state’s largest insurance carrier for doctors, reducing rates by 12 percent and 10 more companies competing to write physician policies, competition should lead to lower rates for more physicians in the near future.

Lawsuits against hospitals are down 70 percent from last summer.

Lawsuits in our state’s largest county, Harris County, have declined seven-fold.

There were 746 lawsuits filed in the three months prior to the new law, and there have been 105 lawsuits filed since in Harris County.

This mirrors the trend in regions of the state once considered high-risk for doctors.

In the Rio Grande Valley and Corpus Christi, lawsuits against physicians and hospitals have declined sharply.

The net effect of fewer lawsuits and declining liability costs is greater access to care and better services for Texas patients.

Doctor recruitment efforts in medically underserved regions are finally yielding results.

No community is a greater example of this success than Corpus Christi.

Between 2000 and 2003, Corpus Christi lost four neurosurgeons, 10 general surgeons, one infectious disease specialist, and one-third of obstetricians stopped delivering babies.

Today the turn-around is well under way.

Driscoll Children’s Hospital has recruited close to a dozen new pediatric specialists, three neonatologists, two cardiologists, a hematologist, a general surgeon, and four other specialists – all doctors who the hospital believes would not have been recruited without the medical liability reforms we passed into law.

The hospital also saved $200,000 on their liability costs, and another $250,000 they would have had to allocate to their self-insurance fund.

Christus Spohn Hospital down the road has experienced a net gain of more than 20 physicians, and significant liability savings amounting to millions of dollars.

In the Hill Country town of Fredericksburg, two doctors placed an ad in the local paper thanking voters for approving Proposition 12 and announcing they would once again resume delivering babies.

In Austin, 16 new obstetricians have started their practice in the last year, reversing a trend over the last 2½ years when Austin lost 16 OB’s.

In Dallas, the Baylor Health Care System has saved $1.5 million on their liability costs, and the 300 doctors insured by Baylor’s physician group should also experience savings in excess of 10 percent on their liability costs.

The results are simply indisputable: Voter approved medical liability reforms are healing
the practice of medicine by reducing insurance costs and frivolous lawsuits, making it
easier for communities to recruit new doctors, and expanding patient access to needed
care.

At the same time, we have given the State Board of Medical Examiners new authority to
crack down on the small percentage of bad apples in the medical community, another
important step in protecting patient access to quality care.

The Texas reforms were the right prescription for an ailing healthcare system.

Voters made a wise choice, and more lives will be saved and patient care enhanced
because of it.