Gov. Rick Perry's Remarks To The Texas Medical Association

*Note - Gov. Perry frequently departs from prepared remarks.

Friday, February 27, 2004

Thank you very much Dr. Bailey. I appreciate such a warm welcome from this distinguished group, the Texas Medical Association. As physicians and medical leaders, you are on the front lines of the battle against illness, disease and chronic conditions. You provide a healing touch, and better health, for millions of Texans. And Texas is a much richer state for the contributions, and compassion, of the men and women in this room.

I am delighted you had a chance to hear from the First Lady this morning, a health care professional in her own right, or as I like to call her, the “First Nurse of Texas.” Anita has grown up around health care all of her life because, as she shared earlier, she is the daughter of a retired rural family physician in Haskell County, Dr. Joe Thigpen. Dr. Joe says he is retired, but he told us that the other three times too. And we’re all sort of expecting my mother-in-law Beunis to send him back to work any day now.

As you heard earlier today, while the First Lady no longer spends her days working in a hospital, she has the same passion for a healthier Texas. And I am so proud that she has taken her time to travel this state and advocate for an important cause, childhood immunizations. I am also proud of her on another level. Anita recently made a difficult decision, one I support 110 percent, when she re-entered the workforce to take a job with the Texas Association Against Sexual Assault. She is helping women who have been victimized by a cycle of violence, women who need help in picking up the pieces of their lives, and I can’t think of a better person for the job than the First Lady of Texas.

It has been little more than 13 months since I placed my left hand on the Bible and pledged to uphold the laws of this state and nation as the governor of our more than 21 million people. When I stood before the people of Texas on that January day, we all faced some difficult circumstances and some tough choices. We had just learned that our budget gap had been recalculated, and doubled overnight from $5 billion to $10 billion. Homeowners insurance rates were skyrocketing. And doctors all across Texas were being forced to hang up their white coats and stethoscopes because malpractice rates were going through the roof. But what a difference a year makes.

We balanced our budget without raising taxes, and still managed to invest more than a billion more new dollars in health care. The Commissioner of Insurance recently ordered a half-billion dollars in refunds for Texas homeowners. And because of strong legislative leadership, and the wisdom of the Texas electorate, we have protected the practice of medicine, and Texans’ access to health care, with strong medical malpractice reforms.
We took action because to do otherwise would have meant more women traveling greater distances to have their babies delivered, more patients injured in trauma accidents being diverted by trauma centers, more surgical specialists being forced out of performing risky but necessary medical procedures. We cannot have a Texas of unlimited opportunity and prosperity if health care is rationed, and if doctors are forced to practice defensive medicine, or not practice medicine at all. The statistics in Texas were compelling.

Between 2001 and 2002, 6,500 doctors had their liability policies cancelled, in many cases not because of negligence on their part, but because of the high-risk nature of the procedures they perform. The number of doctors being sued was on the rise, while at the same time 7 out of every 8 medical claims in Texas are dismissed without payment because they are deemed meritless or questionable. Malpractice insurance carriers were also leaving Texas as the number of companies writing policies dwindled from 17 to three over a three-year period. The statistics hit home when for many Texans when it is their doctor that gets out.

Orthopedic surgeon Donald Malone is a good example. He wrote his local newspaper that his insurance premiums doubled every year for three years. In his letter he states, “it was going to cost $72,000 to renew my policy, I am not the first physician in Fort Worth faced with a difficult decision about his practice, and I most certainly won’t be the last. Some of my colleagues are choosing to retire early, change careers or discontinue complicated, more risky, but needed, medical procedures. Our community’s access to health care is being compromised.”

Corpus Christi family practitioner Evelyn Tobias-Merrill quit her practice at age 36 when her medical liability premiums went up 300%, even though she’d never been sued. Her new premiums would have constituted a third of her income.

These are the stories we heard all across Texas, that we heard from men and women in this room here today, and they became the basis for our battle cry as we went to war against one of the most powerful interest groups in Texas politics, the personal injury trial lawyers. As President Bush has said, no one has ever been healed by a frivolous lawsuit. It is a matter of principle: doctors and nurses should be spending more time examining patients and less time being cross-examined in the courtroom.

In 2001, medical liability rate increases were three times larger in states without non-economic damage caps than states with caps. That’s why we passed caps on arbitrary non-economic damages. Individual health care providers will no longer be subject to non-economic damages above $250,000 per case. Health care institutions are subject to a separate $250,000 cap with an entire claim not to exceed a total of $750,000 in non-economic damages.

At the same time, Texans who have been truly harmed by an act of medical negligence will still have access to all economic damages, including lost wages and medical expenses. We have simply capped the arbitrary awards for categories like pain and suffering and mental anguish. These damage awards have quadrupled over the last decade in Texas, and now comprise two-thirds of the total damages awarded in medical liability cases in Texas.

We took our reforms one step further than other states. To prevent the legal delays that would have ensued for years as trial lawyers challenged the constitutionality of caps in court, we asked voters to clarify the legislature’s authority to do so in the Texas Constitution. And despite a misleading multi-million dollar advertising blitz by the trial bar, Texas voters protected their health care, saved their doctors, and restored balance to our system of civil justice by passing Proposition 12.

Now, because personal injury trial lawyers filed about a year’s worth of cases in the final days before the new laws took effect, it is going to take some time before we see the full effect of medical malpractice reform. But this we do know: the state’s largest medical underwriter, The Texas Medical Liability Trust, has already lowered its rates 12 percent.
Second, Commissioner Montemayor is holding the line by rejecting on their face proposed rate hikes from other carriers. Third, as of February 10th, TDI reports that six new carriers have applied for entrance into the Texas market, a development that will lead to greater rate competition. And many more companies are involved in discussions with TDI about entering the Texas market, and several have mentioned our comprehensive lawsuit reforms as the basis for their interest.

We did three other things this session that I want to mention that I believe will have a tremendous impact on health care in Texas. First, we recognized the inherent risk to trauma patients’ lives when they are diverted from the life-saving care they need because trauma centers are at capacity. That is why I was proud to join leaders of the House and Senate in support of an additional $1 billion over the next five years for Texas trauma centers. Now, a few people have attacked me for supporting new penalties and fees to fund this $1 billion increase for trauma care. But I believe the drunk and dangerous drivers who cause so many of our trauma accidents should pay the cost for the accidents they so often create.

Second, despite the $10 billion budget gap I mentioned earlier, we increased funding for health care programs by more than $1 billion. And we did this while spending $2.6 billion less in state general revenue. Part of that increase went toward funding 180 new Federally Qualified Health Centers so that close to a quarter million more Texans, including many uninsured Texans, will have a place to turn to despite limited resources. That same budget increased funding for Medicaid acute care coverage, for HIV medications and children with special health care needs. And we kept enrollment in the Children’s Health Insurance Program at 200 percent of the federal poverty level, which means the children of a family of four will maintain coverage as long as the family income does not exceed roughly $3,000 a month.

Third, I was proud to join with the members of this association, hospital administrators, and every Texan with a vested interest in health care, in support of a new prompt pay law that stops the slow-pay practices of some in the insurance business. Senate Bill 418 is tough medicine for insurance companies whose payment practices are hostile to the practice of medicine. It builds on reforms we passed in 1999, and does so without sending more disputes to the courthouse. And I was proud to sign it.

For all that we must do as a state to provide the resources and expertise needed to address a great many health care needs, we must never forget that better health care begins with personal responsibility. All Texans must take ownership of their health care by eating right and exercising regularly. I helped launch a new fitness program called Texas Roundup because we must make great strides to end the couch potato culture. 61 percent of Texas adults, and 35 percent of our children, are considered either obese or over-weight. That is a ten percent increase over the last decade. And it is alarming to see so many children diagnosed with Type 2 diabetes, a condition once seen almost exclusively in adults, because it is 100 percent preventable. According to the Texas Obesity Task Force, if nothing is done to change poor eating and exercise habits of our children, this current generation is likely to have a shorter life expectancy than their parents.

My friends, if disease and illness had that kind of affect on our youngest generation, we would call it nothing short of an epidemic! The cost of poor health associated with excess weight is borne not only by the individual, it costs Texas taxpayers and businesses $10 billion each year through higher health care costs and lost productivity in the workplace. The goal of the Texas Roundup is to help Texans shed unnecessary pounds, feel better and live healthier lives through the development of a physical activity routine that is part and parcel to their daily lives as much as reading the morning newspaper or going to work.

This effort provides more than encouragement, it provides a specific plan. Texans of all ages and fitness levels can
go to the Texas Roundup website, www.dot Texas Roundup.dot org, and find a physical activity plan that will enhance their fitness and their overall health. I would ask that the medical leaders in this room become ambassadors for this effort. On April 17, we will culminate this effort with a fitness festival and a 10K run. And ultimately, when we get more Texans in shape, fewer of them will end up in our emergency rooms and clinics with conditions like diabetes and heart disease.

The physicians of Texas are on the front lines of an important battle: the effort to build a better Texas. You work every day to educate Texans about healthier lifestyles, to treat and heal people afflicted by common maladies and terrible diseases, to mend the bruises and breaks that require your special skills and knowledge. I am truly grateful for the difference you make, for the lives you save, and the devotion with which you perform your labor of love.

May the practice of medicine always be attractive to future generations, and may Texans always have access to the best health care available. Thank you, and God bless Texas.