

Study: Medical Liability Harming Maryland Economy

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A hospital industry backed study indicates that Maryland's medical liability environment that is costing medical professionals more and more could end up costing as many as 3,000 jobs by 2005.

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"The effects of this crisis are no longer limited to health care," said Anirban Basu, a principal with the Sage Policy Group, which conducted the study for the Maryland Hospital Association and the Maryland Business Council. "It is now impacting the state as a whole."

The study estimates that if the liability crisis is not resolved, reduced spending by hospitals and physicians as a result of rising malpractice insurance costs will mean the loss of 1,850 jobs in Maryland by the end of this year and as many as 3,000 jobs in 2005.

The report also maintains that the negative effects of the liability situation go beyond job losses. Higher malpractice insurance costs and fear of liability suits are already causing hospitals and physicians to defer spending, restrict services, retire early or leave the state, which translates into lost business sales of more than \$170 million this year and could reach \$295 million in lost business next year, according to the study.

The study says that liability costs to the state's medical community have risen 94 percent between 2002 and 2005.

"This analysis offers new and troubling insights about his crisis," said MHA President Calvin Pierson. "We already know the toll it's taking on providers and their ability to serve patients. Now it's clear it's spilling over to the economy. The Governor and our legislative leaders have got to find the political will to fix this crisis now."