

Testimony of Michael Ripchinski, MD, MBA, CPE, FAAFP
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Penn Medicine Lancaster General Health
House Majority Policy Committee
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Good afternoon members of the committee. My name is Michael Ripchinski and I am the Chief Physician Executive at Penn Medicine Lancaster General Health and a Board Member of the Pennsylvania State Board of Medicine. I would like to thank Chairman Causer and the committee for allowing me to provide testimony about impact of impact of the Supreme Court's rescission of the medical liability venue rule.

On behalf of Lancaster General Health, I am here to express our strong concern about the changes to medical liability venue rules put forth by the Pennsylvania Supreme Court. If left unaddressed, these rule changes will have a damaging effect on physicians, hospitals and most importantly, health care consumers.

As you are aware across the Commonwealth, we have experienced a consolidation of hospitals and providers through merger and acquisition into larger health systems. Lancaster General Health is illustrative in that regard, through our merger with the University of Pennsylvania Health System in 2015. With this new venue rule, simply by virtue of Lancaster General Health being part of a Philadelphia-based health system, cases that involve care exclusively provided in Lancaster County could be brought in Philadelphia County.

The impact of requiring an entity such as Lancaster General Health – or any suburban or rural hospital -- to litigate medical liability claims in Philadelphia cannot be overstated. It will dramatically impact the cost of insurance at rural hospitals due to Philadelphia County's associated higher risk profile, and also will be disruptive to patient care if physicians and other providers are unavailable while participating in proceedings in a distant venue. Some counties will be more significantly impacted than others in the Commonwealth. An Oliver Wyman actuarial analysis commissioned by the Senate Judiciary Committee forecasted that hospitals in Lancaster County could expect to see a premium rate increase ranging from 36% to 73%. That analysis also projected a premium increase ranging from 41% to 82% for physicians in the county. This rule change threatens the continued availability and affordability of professional liability insurance, the training and retention of new physicians, and full access to quality health care for the residents of Pennsylvania.

By permitting venue in counties with no real connection to the underlying cause of action, the proposed changes will facilitate the forum-shopping that contributed to the medical liability crisis which the legislature and the Governor sought to address via the Medical Care Availability and Reduction of Error Act (MCARE Act) in 2002.

The crisis led to liability insurers leaving the market, limiting their insurance offerings and experiencing significant downgrades in their credit ratings. As a result, there was a dramatic

decrease in the availability in medical liability insurance and significant increases in the costs associated with professional liability coverage.

As reported by the Pennsylvania Medical Society, the state's major medical malpractice insurers increased their premium rates between 80 and 147 percent between 1997 and 2001. This led some providers to retire prematurely or leave the Commonwealth and, in some instances, threatened the financial viability of hospitals and health systems. On the heels of the COVID-19 pandemic and ongoing healthcare workforce shortages, it is not in the public's interest to plunge the health care industry in Pennsylvania into crisis.

I would like to thank the members of this committee for highlighting this important issue and for working with the hospital community to prevent another medical liability crisis. I am happy to answer any questions the committee members may have.