

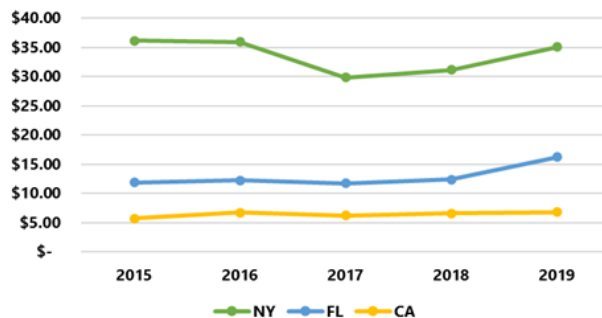


Dear Legislative Leaders and Members of the Legislative Budget Committees,

The past year has obviously been an incredibly difficult time for healthcare professionals and the medical industry as a whole. But a measure tucked into Governor Cuomo’s Executive Budget proposal, which we strongly urge the legislature to support, would provide much-needed relief to medical professionals in the form of lower liability insurance premiums and litigation costs.

The challenges of the COVID-19 pandemic are compounded by an already difficult environment for New York’s healthcare professionals. New York is frequently named as the worst place for doctors to practice in the United States. One of the primary reasons for this dubious distinction is the state’s medical liability environment.

Medical Liability Payout Totals Per Capita 2015-2019



New York’s medical liability costs are far higher than any other state – both on a nominal basis and a per capita basis. New York accounts for 20% of the country’s medical liability payouts, while only accounting for 6% of the nation’s population. New York spends more on medical liability than the entire Midwest.

One of the very fixable reasons for New York’s outsized medical liability costs is the unnecessarily high rate of interest imposed by the state on monetary judgments and accrued claims. New York levies a flat nine percent (9%) interest on court judgments, far higher than the market rate, which has averaged less than three percent (3%) for the last five years.

Governor Cuomo’s FY 2022 budget proposes relief by tying judgment interest rate to the current market rate ([see PPGG, Part AA](#)). The proposal uses the weekly average one-year constant maturity treasury yield, the same way that interest is calculated in federal courts.

We, the medical community of the State of New York, strongly support tying the rate of judgment interest to the market rate. This proposal will reduce medical liability costs and make New York more attractive to medical professionals. It will also ensure that our members will not be punished by unnecessarily high interest should they choose to utilize their right to appeal.

We respectfully urge both houses of the New York State Legislature to include a similar proposal in their respective budget proposals.

Regards,

American Association of Neurological Surgeons

American Association of Orthopaedic Surgeons

American Medical Association

American Urological Association

Congress of Neurological Surgeons

Healthcare Association of New York State

Medical Society of the State of New York

New York State Neurosurgical Society

the New York State Osteopathic Medical Society

New York State Society of Anesthesiologists, Inc.

The New York State Society of Orthopaedic Surgeons