Memorandum in Support
Budget Proposal to Fund and Extend Excess Medical Liability Program
S2003/A3003

The New York American College of Emergency Physicians (New York ACEP) strongly supports provisions of Governor Cuomo’s proposed State Budget to fully fund the Excess Medical Liability Program at $127,400,000 and extend it for one year. This proposal would maintain existing eligibility requirements and add a new requirement that physicians and dentists applying for coverage receive a tax clearance from the Department of Taxation and Finance before receiving coverage.

The Excess Medical Liability Insurance Program was created in 1985 as a result of the liability insurance crisis of the mid-1980’s to address concerns among physicians that their liability exposure far exceeded available coverage limitations. The program provides an additional $1 million of coverage to physicians with hospital privileges who maintain primary coverage at the $1.3 million/$3.9 million level. Since its inception in the 1980’s the Excess Program has been a primary component in controlling rapidly increasing costs of malpractice for hospitals and physicians.

The need for this program is as important as it was in 1985. Due to a hostile liability climate in New York State, physicians are at risk of losing everything they have worked for all of their professional lives as a result of one wildly aberrant jury verdict. Absolutely nothing has been done to ameliorate this risk. The size of verdicts in New York State are among the highest in the country with cumulative payouts of $689.9 million in 2014 (Diederich Healthcare, March 14, 2014, Washington Post).

Full funding for the Excess Medical Liability Insurance Program will assist in at least stemming the tide of physicians who may be considering leaving the state due to the hostile liability climate and protect access to quality emergency care for patients.

For these reasons, New York ACEP strongly urges the New York State Legislature to accept the Governor’s proposal to fully fund the Excess Medical Liability Program at $127,400,000 and extend it for one year.