

Texas proves caps don't reduce healthcare costs or increase the number of physicians.

Proponents of enacting caps on the compensation victims of medical malpractice victims can receive in New York claim that caps would reduce healthcare costs and lead to growth in the numbers of physicians. But the experience with caps in Texas shows otherwise.

In 2003, Texas adopted one-size-fits-all cap on compensation for malpractice victims. In 2010, a major study of Medicare spending and medical malpractice claim rates in Texas after 2003 concluded, **“In sum, we find no evidence that Texas’ 2003 tort reforms `bent the cost curve”** and, **“We thus offer evidence that those interested in a magic bullet that will limit the growth of health care spending should look elsewhere.”**¹

Nor have caps increased the supply of physicians in Texas:

According to the American Medical Association, between 2003 and 2009 **the physician-to-population ratio in Texas increased by only 3%, compared to 5% in New York.** In 2003 Texas had the nation’s 42nd lowest physician-to-population ratio. In 2009 its ratio sank to 44th lowest. New York, in contrast, had the nation’s 4th highest physician-to-population ratio in both 2003 and 2009.²

Governor Rick Perry claims that because of his state’s adoption of caps in 2003, thousands of doctors have moved to Texas “because they know they can do what they love and not be sued.”³ **But according to the MSNBC Truth-O-Meter, Governor Perry’s statement was “false”** and population growth was the “driving factor” behind whatever increase did occur. MSNBC researchers also found that **the supply of practicing doctors in Texas increased at a faster rate before 2003 than after.**

¹ Paik, Myungho, Black, Bernard S., Hyman, David A. and Silver, Charles M., “Will Tort Reform Bend the Cost Curve? Evidence from Texas” (July 16, 2010). Available at SSRN: <http://ssrn.com/abstract=1635882>. Paik and Black teach at Northwestern University School of Law, Hyman at the University of Illinois College of Law and Silver at the University of Texas at Austin School of Law.

² State physician/population ratios are from the 2011 AMA *Physician Characteristics and Distribution in the U.S.*

³ Gov. Rick Perry on August 17, 2011 in a speech at “Politics and Eggs” in Bedford, N.H.