

Summary of the Fair and Reliable Medical Justice Act of 2007

The Fair and Reliable Medical Justice Act will create ten pilot projects for states to develop new and better ways to deal with medical malpractice cases. The legislation is being sponsored by Senate Finance Committee Chairman Max Baucus (D-Mont.) and Senate HELP Committee Ranking Member Mike Enzi (R-Wyo.) in the Senate, and by Representatives Jim Cooper (D-Tenn.) and Mac Thornberry (R-Tex.) in the House.

Bill Summary: This bill authorizes the Secretary of HHS to award up to ten grants to states to develop, implement, and evaluate alternatives to current tort litigation for resolving claims for injuries allegedly caused by health care providers. The grants may last for up to five years.

To apply for a grant, a state must develop an alternative to its current tort litigation system for resolving medical malpractice claims and reducing medical errors. States must show how their plans would provide prompt and fair dispute resolution, encourage early disclosure of medical errors, enhance patient safety, maintain access to liability insurance, and provide patients with notification and the choice to opt out. State plans must also allow for the collection and analysis of patient safety data.

Scope: State plans may cover a geographic region, an area of health care practice, or a group of health care providers or organizations.

Preference: Preference in awarding grants will go to state plans that are developed with relevant stakeholders, that enhance patient safety, and that would not contravene state law.

Expert Review Panel: The Secretary must review grant applications in consultation with an expert review panel, appointed by the Comptroller General, that includes patient advocates, health care providers and organizations, attorneys with relevant expertise, medical malpractice insurers, state officials, and patient safety experts. The Comptroller General will serve as or appoint an individual from the Government Accountability Office to be chairperson of the panel.

Reports: States receiving grants must submit an annual report evaluating the effectiveness of the funded activities as requested by the Secretary and the Secretary must submit a summary of the reports to Congress.

Technical Assistance: The Secretary must provide technical assistance to states receiving grants, including assistance in developing payment schedules for non-economic losses, support in identifying avoidable injuries, and guidance for early disclosure. The Secretary must also help states develop common definitions, formats, and infrastructure to facilitate data collection and analysis for reporting purposes, which will also be available to states not receiving grants.

External Evaluation: The Secretary will consult with the review panel concerning evaluation of the grants awarded and to prepare and submit an annual report to Congress. The evaluation must analyze the effect of the grants, make comparisons between and among the alternatives funded, and compare states receiving grants with similar states not receiving grants. The evaluations will look at effects on and differences in the number, nature, and costs of liability claims, the medical liability environment, health care quality, patient safety, and patient and health care provider satisfaction.

Planning Grants: The Secretary may provide initial planning grants of up to \$500,000 per state for applicable proposals, and will give preference to states for which the plan does not contravene state law at the time of application. The bill authorizes funds as necessary to carry out the programs.