



OSMA News Now

*The Latest News, Views, Updates, and Information for Physicians
from the Oklahoma State Medical Association*

May 21, 2010

“OSMA—We Have Lift-off!”

Ken King, CAE, OSMA Executive Director

As you know, the 2009 Oklahoma Legislature approved and the Governor signed comprehensive and meaningful lawsuit reform legislation. In that legislation (HB 1603), there were many positive and important improvements in Oklahoma’s tort system that will improve the medical liability insurance market for years to come. The centerpiece of that bill, however, was a \$400,000 cap on noneconomic damages--what many experts believe is the single most effective known cure for health care lawsuit abuse. To implement the cap requires the establishment of an indemnity fund by the state to compensate the rare instances in which the noneconomic damage award exceeds the \$400,000.

*This week, there is cause for celebration: legislative leadership and the governor have agreed to provide \$3 million in state general revenue (not by taxing physicians) to support the indemnity fund.**

This is a major victory and resolves the last piece of the puzzle on comprehensive lawsuit reform!

One caveat: Oklahoma physicians may not see true relief from skyrocketing professional liability insurance premiums until the cap and other tort reforms pass constitutional muster. As California and other states have seen, it can take years for a case to wind its way through the judicial system before the state Supreme Court finally gives its blessing to the new law.

Congratulations to OSMA’s lobby team: Dr. Jack Beller, Chair, Council on Legislation, our outstanding contract lobbyists Pat Hall and Jim Dunlap and Wes Glinsmann, OSMA’s Director of State Legislative and Political Affairs.

*Two notes:

- First, Senate Bill 2163, the enacting legislation for the indemnity fund will need to pass (now likely with the agreement on the funding issue); and
- Second, the 2011 state budget, which has been approved by the legislative leadership and the governor, will also have to be finally enacted.

Physicians Saved from the Chopping Block Under New Budget Deal

Great news for Oklahoma physicians and patients from the Capitol this week as the Oklahoma Health Care Authority will be taking a smaller cut than almost any other state agency. Under the \$6.7 billion budget deal announced this week by Governor Henry and legislative leadership, the OHCA will be cut just 1.8% (compared with a statewide average of 3.7% and some agencies that took double-digit cuts).

But the best news came later when OHCA Commissioner Mike Fogarty announced that the 1.8% would be absorbed into the agency’s administrative costs and that no additional provider rate cuts should be necessary! We had been preparing for agency cuts as high as 10%, which would have translated into a 19% provider rate cut. So for Oklahoma physicians to receive no cuts in provider rates is really great news. We applaud our lawmakers for finding the courage to stand up for Oklahoma’s physicians and Medicaid patients under these tough budget circumstances.

A copy of Commissioner Fogarty’s press release is below.

ISSUE BRIEF May 20, 2010

In Re: OHCA reaction to Legislature’s budget agreement

OKLAHOMA CITY – Response from Mike Fogarty, chief executive officer of the Oklahoma Health Care Authority: “I want to personally thank Gov. Brad Henry, Senate President Pro Tem Glenn Coffee, House Speaker Chris Benge and the other budget negotiators for prioritizing the people we serve and their health care services. We believe this announcement will allow us to continue serving thousands of people coming into the SoonerCare program each month without any additional cuts in services or provider rates. I think this is a reflection of the confidence they have in the Oklahoma Health Care Authority running an efficient program. Sen. Brian Crain and Rep. Doug Cox have done a great job stressing the importance of this health care program to their colleagues. During the next few days, we will learn of the details and the expectations for the appropriation but, upon approval, I am confident we will be able to file a balanced budget July 1 that does not cut any additional provider rates or reduce any services.”