

Amend **CSHB 4**, ARTICLE 10 as follows:

On page 82, line 3 through page 86, line 13, strike SECTION 10.28 and substitute a new SECTION 10.28 to read as follows:

SECTION 10.28. (a) The Legislature of the State of Texas finds that:

(1) the number of health care liability claims (frequency) has increased since 1997 at a rate of 4.6% per year;

(2) Medical negligence in Texas is a contributing factor affecting medical professional liability rates;

(3) the amounts being paid out by insurers in judgments, settlements, and defense costs (severity) have increased at a rate of 5.9% per year since 1997;

(4) some medical negligence insurance carriers have raised premiums more than 100%;

(5) the situation has created a medical malpractice insurance crisis in Texas;

(6) this crisis has had a substantial impact on the physicians and hospitals of Texas and the cost to physicians and hospitals for adequate medical malpractice insurance has dramatically risen in price;

(7) satisfactory insurance coverage for adequate amounts of insurance in this area is often available at an unaffordable price; and

(8) the adoption of certain modifications in the medical, insurance, and legal systems, the total effect of which is currently undetermined, will have an unknown effect on the rates charged by insurers for medical professional liability insurance.

(b) Because of the conditions stated in Subsection (a) of this section, it is the purpose of this article to improve and modify the system by which health care liability claims are determined in order to:

(1) reduce excessive frequency and severity of health care liability claims through reasonable improvements and modifications in the Texas insurance, tort, and medical practice systems;

(2) decrease the cost of those claims and ensure that awards are rationally related to actual damages;

(3) make available to physicians, hospitals, and other health care providers protection against potential liability through the insurance mechanism at reasonably affordable rates;

(4) reduce the time required for plaintiffs to obtain awards; and

(5) reduce or eliminate the incentive for physicians and other health care providers to go without insurance.