

IMPROVING KENTUCKY'S LEGAL LIABILITY SYSTEM

Kentucky's legal liability system is broken. The current structure places unlimited risk on providers, which puts a tremendous burden on individual physicians and on Kentucky's health care system as a whole; exacerbates our well-known provider shortage, particularly in rural areas; weakens quality control mechanisms designed to promote patient safety; and drives up health care costs, forcing the state and Kentuckians to pay more than they would for the same care in surrounding states. Kentucky desperately needs legal reform initiatives that promote more efficient health care and legal systems in addition to greater patient safety.

THE ISSUE

Kentucky must change its legal liability climate to attract and retain businesses and health care providers.

- Kentucky lacks even the most basic legal liability protections for businesses and health care providers, and it has one of the nation's most litigation-friendly environments.
- In 2015, the Institute for Legal Reform ranked Kentucky 39th in the nation for its lawsuit climate. The institute found that 75 percent of company general counsels and senior attorneys said that a state's legal environment likely impacts business decisions, including where a company locates or expands.

THE PROBLEM

State legislators and legal reform advocates have spent decades trying to advance various judicial reforms to improve the state's legal climate and have been confronted with both constitutional and legislative obstacles.

- While Kentucky failed to pass meaningful judicial reform, surrounding states have made changes, which has put the Commonwealth at a disadvantage in terms of economic competitiveness, job growth, patient safety and access to affordable health care.
- A 2011 Deloitte study on the state's health care workforce capacity specifically noted the state's legal liability climate as a significant problem.

THE SOLUTION

The Kentucky General Assembly should adopt full tort reform to address our broken litigation system and reduce the negative economic impact on both health care providers and the business community.

- KMA supports a two-pronged approach:
 - **2017 Legislative Session** – Adoption of legal reforms, including independent medical review panels and peer review protections, that will immediately improve Kentucky's legal liability climate and make the state a much more attractive destination for businesses and health care providers.
 - **2018 Legislative Session** – Passage of a constitutional amendment that would allow caps on noneconomic and punitive damages.
- Tort reform will finally put Kentucky in line with most of the other states in our region and create a more fair and consistent legal liability environment for consumers, businesses and health care providers.

Please Support Senate Bill 4