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New York Judges Aim to Curb Medical Malpractice Litigation Costs

By Nathan Koppel | June 13, 2011

As part of its health-care bill, the Obama Administration included money for grants to states to launch projects aimed at curbing costs associated with medical malpractice litigation.

The New York Times today takes a look at a federally-funded project in New York that gets judges involved early on in malpractice cases in an effort to settle the cases and save court costs.

The way it works is that a judge will hold a settlement conference with lawyers but not their clients often only months after a malpractice case is filed.

The judge will attempt to cajole a settlement that is likely to be less than a jury would award but that is paid out far earlier than a verdict, and without having to go through a lengthy appeals process, according to the Times.

So far, New York city courts have used the method called judge-directed negotiation, but the approach is expected to spread to courts outside the city this fall.

Harvard professor Michelle M. Mello told the Times that the New York program represented a major cultural change in malpractice cases. "Ordinarily when the parties come to a settlement conference, it's late in the game," she said. "It's often a pro forma exercise rather than an attempt to grapple with the tricky issues in the case."

Suzanne S. Blundi, the deputy counsel of the Health and Hospitals Corporation, told the Times that the hospitals' average payment in malpractice cases last year had declined to about \$428,000, from about \$567,000 in 2003, as a result of a series of measures, including earlier settlements.

But Nicholas I. Timko, the president of the New York State Trial Lawyers Association, said the judge-led settlement conferences can create "pressure to take less than might be fair compensation."