

Health System Reform INSIGHT



June 24, 2010

Given the new direction for the nation's health system, the AMA has developed *Health System Reform Insight* to help you understand the health system reform legislation and what it means to you and your patients.

Federal funding to test medical liability alternatives

As part of its health system reform efforts, the AMA urged the Obama administration and Congress to fund demonstration projects on innovative medical liability reforms, such as health courts, safe harbors for the practice of evidence-based medicine, and early disclosure and compensation models. This issue of *Health System Reform Insight* provides an update on these successful efforts.

The Obama administration grant program

The Obama administration announced in 2009 that it was providing \$25 million in funding to establish medical liability and patient safety demonstration projects and planning grants that would be available to states and health systems. The U.S. Department of Health and Human Services (HHS) Agency for Healthcare Research and Quality (AHRQ) was charged with implementing the grant program. After a thorough application and review process, AHRQ announced the grant recipients on June 11. These grants are the result of strong AMA advocacy for physicians.

Three-year demonstration grant recipients:

- Timothy McDonald, MD, University of Illinois at Chicago (\$2,998,083)
- Stanley Davis, MD, Fairview Health Services, Minneapolis (\$2,982,690)
- Eric Thomas, MD, University of Texas Health Science Center, Houston (\$1,796,575)
- Ann Hendrich, Ascension Health System, St. Louis (\$2,990,612)
- Thomas Gallagher, MD, University of Washington,



July 12:

The AMA seminar, "Pathways to success with new payment models: Bundled payments, medical homes, accountable care organizations," will be held from 10 a.m. to 3 p.m. Central time at the Chicago Marriott O'Hare. Visit the [AMA Web site](#) for details and to register.



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- Seattle (\$2,972,209)
- Judy Kluger, New York State Unified Court System, New York City (\$2,999,787)
- Alice Bonner, Massachusetts State Department of Public Health, Boston (\$2,912,566)

Visit the [AHRQ Web site](#) for more information on each of the demonstration grants.

Planning grant recipients:

- Lynn Marie Crider, Office for Oregon Health Policy and Research, Portland, Ore. (\$299,458)
- Richard David, MD, Johns Hopkins University, Baltimore (\$293,225)
- Dianne Garcia, Multicare Health System, Tacoma, Wash. (\$291,810)
- Wendell Hoffman, MD, Sanford Research, Sioux Falls, S.D. (\$294,137)
- Elizabeth Guenther, MD, University of Utah, Salt Lake City (\$299,999)
- Karen Domino, MD, University of Washington, Seattle (\$295,837)
- David Baker, Carilion Medical Center, Roanoke, Va. (\$280,924)
- Kenneth Sands, MD, Beth Israel Deaconess Medical Center, Boston (\$273,782)
- Nicoletta Tessler, Jackson Memorial Hospital, Miami (\$299,576)
- Cynthia Shellhaas, MD, Ohio State University, Columbus, Ohio (\$187,437)
- John Buckley, MD, Wishard Health Services, Indianapolis (\$154,124)
- Cindy Lou Corbett, Washington State University, Pullman, Wash. (\$298,810)
- Steven Crane, MD, North Carolina Department of Health and Human Services, Raleigh, N.C. (\$297,710)


Visit the [AHRQ Web site](#) for more information on each of the planning grants.

The AMA served as an advisor to AHRQ on the implementation of the grant program, and collaborated closely with many state medical associations throughout the grant application process. The AMA will continue to work with state medical associations involved with these grants to gauge their effectiveness at improving the liability system.

The Patient Protection and Affordable Care Act grant program


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In addition to the Obama administration patient safety and medical liability reform grant program, Congress created a separate medical liability grant program in the Patient Protection and Affordable Care Act. Under this program, participating states are required to develop an alternative liability reform that:

- Allows for the resolution of disputes over injuries allegedly caused by health care providers or organizations
- Promotes a reduction of health care errors by encouraging the collection and analysis of patient safety data

Each state would have to identify the sources from and methods by which compensation would be paid, and demonstrate that its proposed alternative to tort litigation meets certain goals and criteria. Each state receiving a grant also would be required to submit a report to the HHS secretary covering the impact of the activities funded on patient safety and on the availability and price of medical liability insurance.

The Patient Protection and Affordable Care Act authorizes Congress to appropriate \$50 million for this program, and the AMA is calling on Congress to accomplish this quickly. Once the funding is available, HHS will implement the program.

Visit the [AMA Web site](#) for more information on the Patient Protection and Affordable Care Act grant program.

The AMA will provide continued updates as the AHRQ patient safety and medical liability grants are implemented and as more information on the Patient Protection and Affordable Care Act grants is announced in future editions of *Health System Reform Insight*.