

STATEMENT OF FORMER CALIFORNIA GOVERNOR JERRY BROWN CONCERNING MICRA

June 13, 1993

As the Governor of California in 1975, I signed into law the Medical Injury Compensation Reform Act, or MICRA. Based on the experience under this unusual statute, I strongly recommend against using its provisions in the upcoming Clinton Health Care Plan.

At the time, California's medical community was in the midst of a crisis. The cost of medical malpractice insurance policies was skyrocketing. Many physicians were forced to "go bare," because they could not afford to purchase insurance, some discontinued providing certain high-risk procedures, while others threatened to quit. Insurance companies claimed that the costs associated with malpractice insurance were rising at such a rate that their only option was to raise health care professionals' liability premiums or to withdraw from the market altogether. In short, the stability of the health care system in California faced a grave threat.

We have learned a lot about MICRA and the insurance industry in the seventeen years since MICRA was enacted. We have even witnessed yet another insurance crisis, and found that insurance company avarice, not utilization of the legal system by injured consumers, was responsible for excessive premiums. Saddest of all, MICRA has revealed itself to have an arbitrary and cruel effect upon the victims of malpractice. It has not lowered health care costs, only enriched insurers and placed negligent or incompetent physicians outside the reach of judicial accountability. For these reasons, MICRA cannot and should not be a model for national legislation.