



First, the (current) system helps very few of the patients that it is intended to help.

Secondly, the system hemorrhages money in the process of doing this.

Third, the system has some very painful side effects on medicine.

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EXECUTIVE OVERVIEW: PATIENTS' COMPENSATION SYSTEM

A Medical Liability System That Works For Patients and Our Economy

Patients for Fair Compensation is seeking to replace our broken medical liability system with a no-blame, administrative compensation system. The Patients' Compensation System will lower healthcare costs by eliminating the practice of defensive medicine, saving up to \$650 billion per year nationally in unnecessary costs. By assuring access to real justice for injured patients and increasing patient safety, the system is one that works for patients and our economy.

Defensive Medicine *noun*

The practice of ordering medical tests, procedures, or consultations of doubtful clinical value in order to protect the prescribing physician from malpractice suits.

Cost of Defensive Medicine?

- > Up to \$13 billion per year in Tennessee
- > \$6.1 billion in taxpayer savings over 10 years (Medicaid/State Employees)

Physicians Practice Defensive Medicine for Two Reasons

- > Liability and personal financial exposure
- > Abhor litigation process

Problem for Patients

- > Limits access to justice and doesn't provide enough compensation
 - Less than 20% of injured patients receive compensation in current system
 - Compensated patients receive only 17.5% of malpractice costs
- > Decreases patient safety
 - Physicians are not sharing best practices
 - New life-saving medical techniques are not being used
 - Patients are undergoing excessive testing

Source of Funding

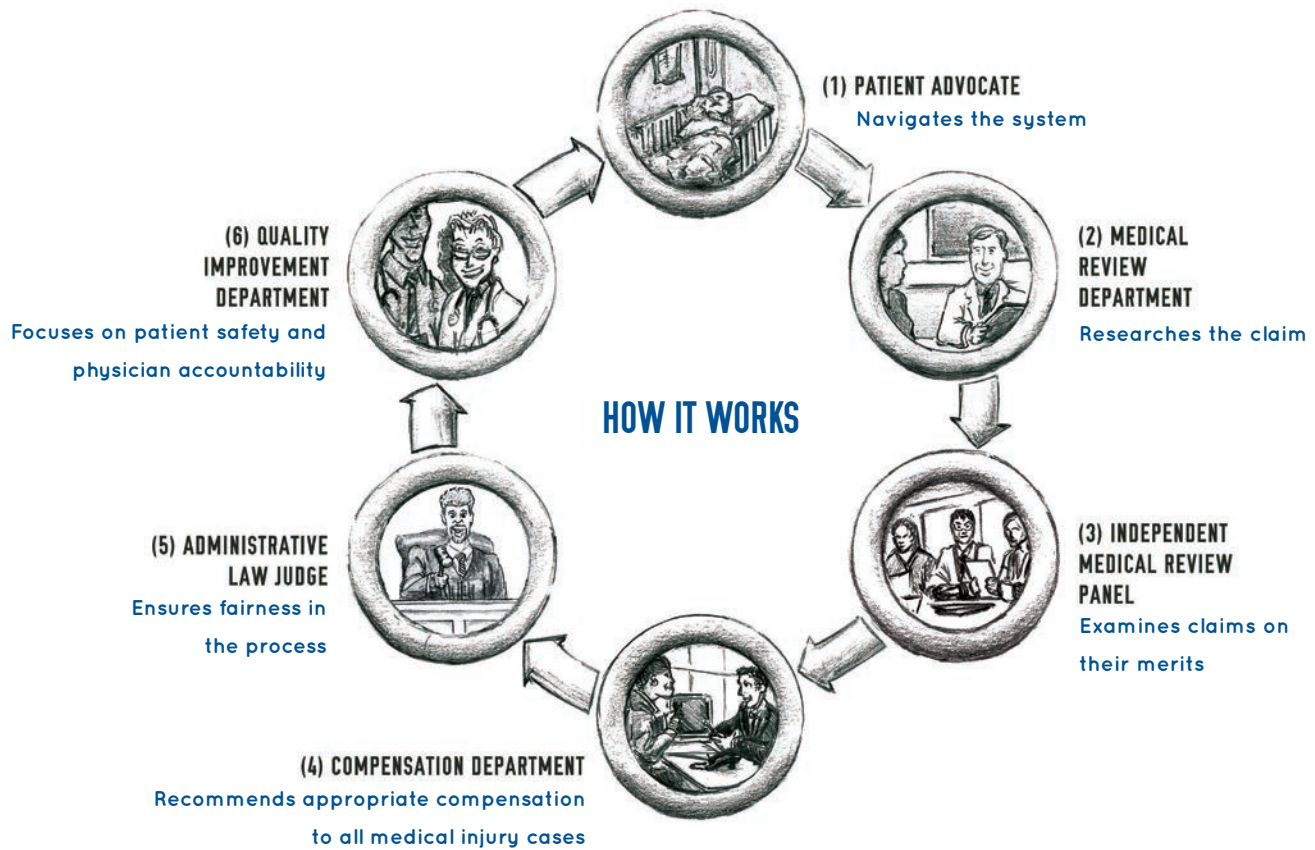
Entire system is funded by administrative fees collected from physicians with no cost to taxpayers.

More Narrow Focus

The new Patients' Compensation System (PCS) applies exclusively to Tennessee physicians. This more narrow approach will allow the PCS solution to focus on creating a better, safer healthcare system in Tennessee.

> Continued on the back...

PATIENTS' COMPENSATION SYSTEM



Patient Benefits

- › Access to justice for all patients – all patient complaints are heard
- › More compensation paid to more patients
- › Faster guaranteed payments (years faster)
- › Eliminates unnecessary tests and defensive medicine
- › Increases patient safety

Economic Benefits

- › \$6.1 billion in savings (over 10 years) to Tennessee Taxpayers (\$126 million in first year)
- › \$25 billion in savings (over 10 years) to Tennessee Employers (\$230 million in first year)
- › 14%–29% savings per employee for Tennessee Employers
- › 22–45k new jobs