

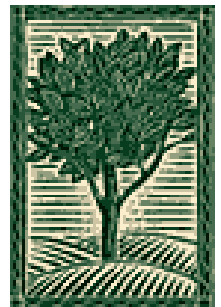
# Virginia Birth-Related Neurological Injury Compensation Program

*A Lifetime Of Help*



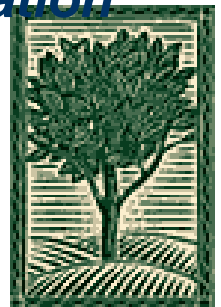
# History

- Established in 1987 during malpractice insurance crisis
- Successful in keeping insurers in Va. Market
- Helps control malpractice premiums in Va.
- Proposals for amending legislation offered 14 of 18 years



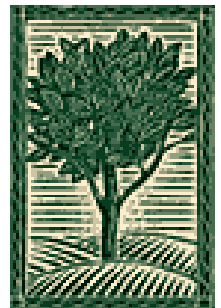
# Impact on malpractice premiums

- ***... As a result, ob/gyns in Virginia were able to obtain malpractice insurance at lower rates than their counterpart in many other ...and the birth-injury program appears to have had a positive effect on claims costs, and subsequent malpractice premiums.***
  - *(Virginia JLARC, 2002, Page 32)*
- ***...A multi-year study, which examined both Florida's and Virginia's program, concluded that these states' malpractice premiums have dropped relative to the nation at large.***
  - *(OPPAGA of Florida Legislature, 2004, p 5, original study 1998)*



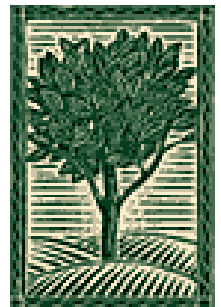
# 2006 Funding

- Participating physicians and midwives - \$5,200 annually
- Participating hospitals - \$50 per live birth in prior year (\$170,000 max)
- All physicians practicing in Va. pay \$270 annually (reinstated in 2002)
- Liability insurers (reinstated in 2002)



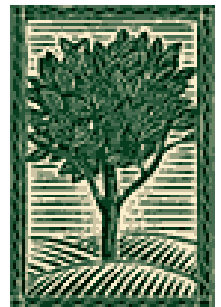
# How it works

- Delivering physicians and hospitals participate
- When a qualifying event takes place involving participating provider or hospital, child is admitted into program – no tort alternative
- Determination made by Workers Compensation Commission



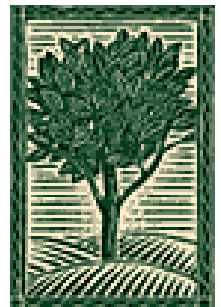
# Definition of injury

- ...injury to the brain or spinal cord of an infant caused by the deprivation of oxygen or mechanical injury occurring in the course of labor, delivery or resuscitation necessitated by a deprivation of oxygen or mechanical injury that occurred in the course of labor or delivery.



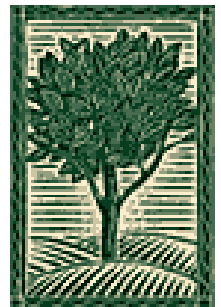
# Definition of injury, continued

- ...renders the infant permanently motorically disabled and developmentally disabled...



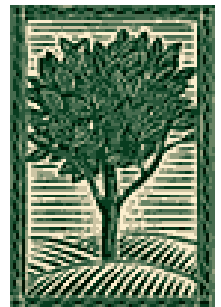
# Definition of injury, continued

- ...such disability shall cause the infant to be permanently in need of assistance in all activities of daily living.



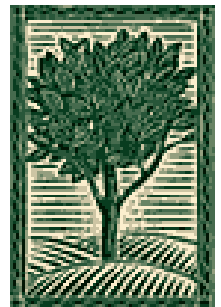
# Benefits for child & family

- Pays medically related expenses for life of child including:
  - Home nursing care
  - Medical expenses (after any existing insurance)
  - Rehabilitation expenses



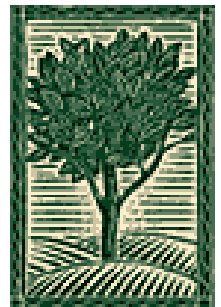
# Benefits continued...

- Housing benefit – will cover cost of modifying home
- Special equipment
- Compensation for lost earnings – begins at 18
- Attorney's fees
- If admitted child dies within 180 days of birth, family can be awarded up \$100,000



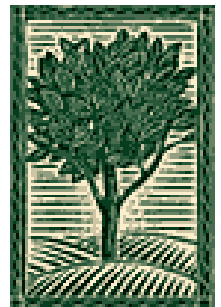
# Who is participating?

- More OBs than ever before - 546
- 31 hospitals
- About 85 % of all Virginia births are covered



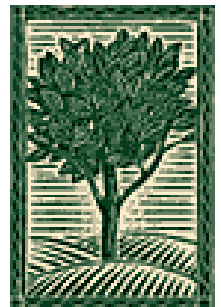
# Why do physicians participate?

- Eliminates malpractice suits in such cases
- Prevents publicity from malpractice suits
- Provides best possible care for qualifying child
- Legislation provides for a “credit” from liability insurers to physicians & hospitals



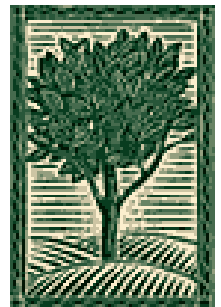
# Program Status (Jan. 1, 2006)

- 110 admitted since beginning
- 19 deceased
- About 15 petitions submitted each year
- About 75% admitted without a hearing
- Average “actuarial cost” per claimant is \$2 million



# Actuarial Status

- Now “technically” actuarially unsound – although financially sound
- Reserves of \$160 million
- About \$100 million actuarial deficit



# Contact information

- [www.vabirthinjury.com](http://www.vabirthinjury.com) or [www.vabirthinjury.info](http://www.vabirthinjury.info)
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