

INITIATIVE FINANCIAL INFORMATION STATEMENT

Public Protection from Repeated Medical Malpractice

SUMMARY OF INITIATIVE FINANCIAL INFORMATION STATEMENT

The Department of Health (DOH) currently licenses medical practitioners and has discretion to revoke these licenses when physicians are found to have committed “gross or repeated malpractice. Current law allows medical doctors who have committed repeated malpractice to be licensed to practice medicine in Florida. This proposed constitutional amendment prohibits medical doctors who have been found to have committed three or more incidents of medical malpractice from being licensed to practice medicine in Florida. This “three strikes” initiative supplements current law and requires the Department to take action to remove licenses based on final findings by the courts, administrative agencies and binding arbitration. The discretion of the Department not to act in these types of cases is removed by this proposed amendment.

Based on the information provided through public workshops, arguments before the Florida Supreme Court, and information collected through staff research, the Financial Impact Estimating Conference principals expect that the proposed amendment will have the following financial effects:

- Medicaid fee-for-service costs may increase because there will potentially be fewer physicians, particularly specialists, available in the marketplace. This fiscal impact is indeterminate.
- Costs to determine confirmed malpractice incidents will increase. There will be increased costs associated with business activities required to review and research records to determine confirmed malpractice incidents. DOH estimates recurring costs for initial applicants of \$311,523 for allopathic physicians and nonrecurring costs for existing licensees of \$292,830 for a total cost of \$604,353. These costs will be funded through increases to licensure fees because the cost of professional regulation is fee supported.
- Requests for Administrative Hearings may increase. The Division of Administrative Hearings (DOAH) anticipates an increase in the number of requests for administrative hearings from doctors who fear blemishes on their records. Additionally, there may also be a greater number of challenges to preliminary decisions of the Board of Medicine rather than settlements. Total fiscal impact can likely be absorbed by the Division.
- Binding arbitration cases may increase. DOAH estimates an increase in the number of claimants agreeing to proceed through the binding arbitration process rather than in circuit court. Total fiscal impact can likely be absorbed by the Division.
- Costs for maintaining databases of binding arbitration cases may increase. The DOH estimates that there are few cases decided by binding arbitration and the costs for researching and analyzing data will be negligible. Total fiscal impact is insignificant according to the DOH.