



**FAAEM**  
always means  
board certified

October 17, 2011

Mr. Lloyd H. Dean  
President & Chief Executive Officer  
Catholic Healthcare West  
185 Berry Street, Suite 300  
San Francisco, CA 94107  
via e-mail: [lloyd.dean@chw.edu](mailto:lloyd.dean@chw.edu)

Dear Mr. Dean,

We have been informed that Catholic Healthcare West (CHW) is considering requiring its medical staff members at Dominican Hospital and potentially at other CHW hospitals to obtain Medical Professional Liability Insurance (MPLI) with minimum coverage limits of \$2million/\$6million and to contractually agree to indemnify CHW in the event of a claim. The American Academy of Emergency Medicine (AAEM) has significant concerns about this proposal and we urge CHW to reject these strategies.

This increase in minimum policy limits for CHW medical staff members would represent a doubling of the existing \$1M/\$3M policy limits currently held by most emergency physicians in California. The data from California as outlined in the letter to you from Dustin Corcoran of the California Medical Association do not indicate a need for such an increase in terms of payouts in excess of \$1 million.

The potential consequences of instituting minimum policy limits of \$2M/\$6M include a likely result in a 30 - 40% increases in the average MPLI premium for California physicians. The cost of such an increase would create a hardship for EM physicians who are currently operating in an environment where their care is often inadequately compensated. This will threaten the economic viability of the practice of EM in California. Additionally, this may impact other specialties and force them to limit or close their practices. This decrease in access to care would exacerbate the issue of over crowding in California emergency departments.

CHW may find itself having difficulty retaining or recruiting emergency physicians if other hospitals do not institute raised limits. An emergency physician practicing with required MPLI at double the industry standard limits will see themselves at risk for aggressive pursuit by trial lawyers aware of the increased insurance coverage.

AAEM is also quite troubled by the contractual indemnity clause that CHW has proposed in its contracts with physicians. The CMA has clearly laid out the potential for invalidation of the physician's MPLI coverage if they sign such a contractual indemnity provision. This possibility as well as the obvious shift of burden onto the physician will further decrease the appeal to an emergency physician of a position at a CHW hospital. Indeed, as a professional society, we would be obligated to warn our members of the risks of both of these items if CHW pursues them.

The AAEM respectfully requests that CHW carefully analyze this matter before implementing increased MPLI limits and contractual indemnity clauses.

Sincerely,

Howard Blumstein, MD, FAAEM  
President, AAEM

*OFFICERS*

HOWARD BLUMSTEIN, MD  
President  
Winston-Salem, NC

WILLIAM T. DURKIN, JR., MD MBA  
Vice President  
Alexandria, VA

MARK REITER, MD MBA  
Secretary-Treasurer  
Bethlehem, PA

LARRY D. WEISS, MD JD  
Immediate Past President  
Baltimore, MD

ROBERT M. MCNAMARA, MD  
Past Presidents Council Representative  
Philadelphia, PA

*Board of Directors*

MICHAEL EPTER, DO  
Henderson, NV

ANDREW MAYER, MD  
New Orleans, LA

KEVIN RODGERS, MD  
Indianapolis, IN

JOEL SCHOFFER, MD RDMS  
Chesapeake, VA

ROBERT E. SUTER, DO MHA  
Dallas, TX

ANDY WALKER, MD  
Nashville, TN

JOANNE WILLIAMS, MD  
Rancho Palos Verdes, CA

LESLIE ZUN, MD MBA  
Chicago, IL

*YPS Director*

BRIAN POTTS, MD MBA  
Oakland, CA

*AAEM/RSA President*

TERESA M. ROSS, MD  
Arlington, VA

*Editor, JEM*

*Ex-Officio Board Member*

STEPHEN R. HAYDEN, MD  
San Diego, CA

*Editor, Common Sense*

*Ex-Officio Board Member*

DAVID D. VEGA, MD  
York, PA

*Executive Director*

KAY WHALEN

*Associate Executive Director*

JANET WILSON

**American Academy of Emergency Medicine**

555 E. Wells St., Suite 1100, Milwaukee, WI 53202-3823

phone: 1-800-884-AAEM • fax: 414-276-3349 • e-mail: [info@aaem.org](mailto:info@aaem.org) • website: [www.aaem.org](http://www.aaem.org)

cc:

Wade Rose, via e-mail: [Wade.Rose@chw.edu](mailto:Wade.Rose@chw.edu) and U.S. Postal Service  
Vice President, External & Government Relations  
Catholic Healthcare West

Nanette Mickiewicz, via e-mail: [Nanette.mickiewicz@chw.edu](mailto:Nanette.mickiewicz@chw.edu) and U.S. Postal Service  
President & Chief Executive Officer  
Dominican Hospital

Jimmy Y. Chung, MD, FA.CS, via e-mail: [jchungmd@pol.net](mailto:jchungmd@pol.net) and U.S. Postal Service  
Chief of Staff  
Dominican Hospital

Duane Dauner, via e-mail: [cddauner@calhospital.org](mailto:cddauner@calhospital.org) and U.S. Postal Service  
President & Chief Executive Officer  
California Hospital Association