

Urge the Governor to Veto House Bill 3360 on Prejudgment Interest

Legislation Would Do Great Harm to Patients, Hospitals and Healthcare

Issue: *House Bill 3360*, a bill that would undermine the civil justice system – and do significant harm to patients, hospitals and healthcare – is awaiting action by the Governor. This bill, which passed in the waning hours of the General Assembly’s lame duck session, would require payment of *prejudgment* interest (9% a year) in civil cases, including medical malpractice cases. Legislators may not have been aware of the negative consequences and impacts on patients and hospitals when they voted on the bill.

IHA Position: We ask state legislators to urge Governor Pritzker to veto House Bill 3360 and support hospitals and healthcare professionals who are on the frontlines working day and night to combat the COVID-19 pandemic and to continue serving their patients and communities.

Background: House Bill 3360 mandates 9% annual prejudgment interest in personal injury and wrongful death cases, including medical liability cases; this exorbitant interest rate accrues even before a lawsuit is filed.

Such a punitive measure would drive up healthcare costs, compel physicians, including specialists, to leave the state, and cause physicians in training not to choose Illinois as a career workplace, further jeopardizing patients’ access to care, especially in our most vulnerable communities.

IHA conservatively estimates that statewide, this legislation will cost ***billions of dollars***, coming directly from the bottom lines of hospitals (most of which are self-insured), not from insurance policies.

That means scarce resources will be diverted from patient care to pay for unnecessary, unfair and exorbitant legal costs and higher settlements and for required self-insured retentions. That means resources won’t be there for vulnerable populations in Chicago and rural communities across the state.

HB 3360 will place an even greater financial burden on healthcare providers and hospitals that are on the front line in the fight against COVID-19. During the year-long pandemic, which continues to be the biggest challenge in healthcare in more than a century, hospitals have been financially devastated.

This legislation will put smaller hospitals in financial jeopardy – especially safety net hospitals. This bill could put many safety net hospitals one verdict away from closing their doors.

In addition, this bill will stall efforts to address healthcare disparities and inequities by driving physicians, including specialists, out of the state, and further limit the ability of hospitals to maximize scarce resources to expand access to care. During hospital transformation discussions for the past two years, the high cost of attracting specialists has been consistently identified as a key obstacle in addressing health disparities in communities of color.

This bill would do the opposite of advancing health equity – leading to additional barriers to accessing care and further exacerbating health inequities.

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