

# What is MICRA and Why Should We Keep It?

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The California Legislature resolved the health care crisis in 1975 with passage of the Medical Injury Compensation Reform Act (MICRA). MICRA has worked successfully to hold down health care costs and has achieved stability in California's medical liability system. One of MICRA's key components is a \$250,000 limit on noneconomic damages commonly called "pain and suffering" in malpractice lawsuits. Economic damages, such as lost wages or medical/dental expenses, have no limitation.

The California Dental Association is a member of "Californians Allied for Patient Protection," a broad-based coalition of health care professionals, consumer organizations, businesses, and insurers dedicated to the preservation of MICRA.

- **MICRA Assures Payment on Legitimate Losses**  
Without MICRA's strong limit on pain and suffering awards, malpractice insurance premium costs would skyrocket and some health care providers would be unable to afford it.
- **MICRA Has Kept Health Care Costs Down**  
Raising the limit on noneconomic damages would increase the cost of malpractice insurance, increasing health care costs for all Californians.
- **MICRA Maintains Access to Health Care**  
An increase in malpractice premiums will affect the already tight budgets of community clinics and hospitals, resulting in a reduction of available care to those who need it most.
- **MICRA Removed Trial Lawyers' Financial Incentive to Pursue Non-meritorious Cases**  
MICRA's cap discourages dollar-driven lawyers from playing to the sympathies of jurors to win runaway "pain and suffering" awards (a large percentage of which goes to the lawyer).
- **MICRA Contains More Than the \$250,000 Cap**  
It also includes a limit on attorney fees by guaranteeing that injured patients receive the bulk of jury awards by limiting contingency fees for plaintiff attorneys to a sliding fee schedule, and, provides that a jury can be informed whenever a plaintiff already received payment for economic losses from other "collateral sources" such as workers compensation, disability insurance, or health insurance.