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## Doctors Cut Back Hours When Risk of Malpractice Suit Rises, Study Shows

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Economists Eric Helland and Mark Showalter found that doctors cut back their workload by almost two hours each week when the expected liability risk increases by 10 percent. The study, published in the new issue of the Journal of Law and Economics, notes that the decline in hours adds up to the equivalent of one of every 35 physicians retiring without a replacement.

"The effect of malpractice risk on hours worked might seem like a small item compared to physicians moving across state borders or avoiding high-risk specialties like obstetrics," said Showalter, an economics professor at Brigham Young University. "However, when you aggregate that across all physicians, the total effect is quite large."

The analysis combined data gathered by insurers about medical liability risks in each state and medical specialty with physicians' responses to surveys about their workload and income.

When something changed the risk of medical liability -- such as an adjustment in the maximum amount a jury could award in malpractice cases -- doctors adjusted their workload. When liability risk went up, doctors saw fewer patients each week to minimize their chance of a lawsuit. When liability risk went down, doctors saw more patients each week.

The study also found that doctors over 55 and those that have their own practices are far more sensitive to changes in liability risk.

Some state courts are currently considering legal challenges to existing malpractice caps. Missouri and Georgia, for example, limit or cap non-economic damages that compensate for pain and suffering to \$350,000. Those caps are being contested by representatives of patients.

Despite the large effects, the research does not endorse a Republican proposal to place a nationwide cap on the size of jury awards in malpractice cases, the authors note.

"If the cost of providing medical care varies by state, why should we have a national, one-size-fits-all approach?" Showalter said. "The same cap would have very different effects in Kansas than in New York."

Lead author Eric Helland is an economist at Claremont McKenna College and RAND's Institute for Civil Justice. Both Helland and Showalter have previously served on the U.S. Council of Economic Advisers.

Adapted from materials provided by Brigham Young University.

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