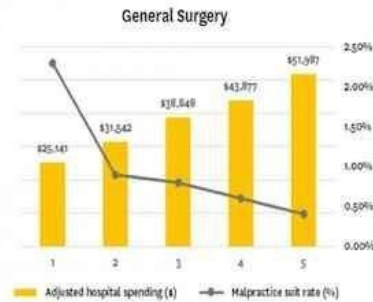




## Malpractice Risk Lower For Doctors Who Spend More



According to a study conducted by researchers at USC, Harvard University and Stanford University, physicians who spend greater resources and money on patient tests and procedures are at a lower risk of being sued for malpractice. The study is published in *BMJ*.

The findings suggest that defensive medicine - where doctors do more for patients because they believe that it would reduce their liability risk - does actually work and that this assumption may actually be true. Analysis of Florida physician and claims data indicates that higher spending is associated with lower malpractice claim rates.

The study researchers used data from the Florida Agency for Health Care Administration and from the Florida Office of Insurance Regulation for the years 2000 to 2009. 24,637 physicians were included in the analysis and an estimated 19 million hospital discharges and 4,342 malpractice claims were considered.

The analysis revealed an inverse correlation between malpractice risk and physician spending. When spending increased, the malpractice rate decreased. For example, in internal medicine, the malpractice rate per physician year was 1.5 percent at a spending of \$19,725 per hospitalisation. This rate decreased to 0.3 percent as the spending increased to \$39,379 per hospitalisation.

The association was also observed with Caesarean deliveries. Findings show that the more C-sections that an obstetrician performs, the less likely he or she was to face malpractice claims. The researchers point out that this association could prove to be an impediment to health care reform.

"More and more we are relying on physicians to help eliminate wasteful spending in health care. However, if physicians perceive that lowering spending will subject them to greater malpractice risk, it will be that much harder to move the needle on health care spending," said Seth Seabury, an author on the study from the USC Schaeffer Center for Health Policy and Economics.

Already legislators and federal officials have attempted to remove financial incentives for doctors to provide excessive treatment through payment reform. However, if physicians continue to spend more to shield themselves for liability risk, then they are still following the incentive pattern. Thus, there is a need to implement reforms that would disentangle malpractice risk from spending. Legislation should be put in place that would not force physicians to spend more for defensive purposes alone.

Source: University of Southern California

Image Credit: USC Schaeffer Center for Health Policy and Economics

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