U-M's efforts to encourage disclosure of medical errors decreased claims

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Ann Arbor, Mich.- The University of Michigan's program of full disclosure and compensation for medical errors resulted in a decrease in new claims for compensation (including lawsuits), time to claim resolution and lower liability costs, according to a study published Aug. 17 in the *Annals of Internal Medicine*.

"The need for full disclosure of harmful medical errors is driven by both ethics and patient safety concerns," said lead study author, Allen Kachalia, M.D., J.D., Medical Director of Quality and Safety at Brigham and Women's Hospital. "However, because of fears that disclosing every medical error may lead to more malpractice claims and costs, disclosure may not happen as often and consistently as we would hope."

In 2001, the University of Michigan Health System launched a comprehensive claims management program that centered on full disclosure with offers of compensation for medical errors. Under this model, U-M proactively looked for medical errors, fully disclosed found errors to patients and offered compensation when at fault. Researchers conducted a retrospective before-and-after analysis to determine how the UMHS model affected claims and costs. Reviewing claims from 1995 to 2007, researchers found a decrease in new legal claims (including the number of lawsuits per month), time to claim resolution, and total liability costs after implementation of the disclosure with offer program.

"The decrease in claims and costs may be attributed to a number or combination of factors," says Kachalia. "We found a 61 percent decrease

in spending at the UMHS on legal defense costs, and this supports the possibility that patients may be less likely to file lawsuits when given prompt transparency and an offer of compensation."

Researchers hope that this study will alleviate the fears associated with disclosure and will further encourage efforts to disclose all harmful medical errors.

Richard C. Boothman, chief risk officer at the University of Michigan and a co-author of the study, says the research proves that a policy of fully disclosing errors does not appear lead to skyrocketing medical costs.

"This shows that over time, hospitals can afford to do the right thing," Boothman says. "It demonstrates what we have believed to be true for some time: the sky won't fall in by pursuing a pro-active and honest approach to medical mistakes."

But Boothman adds that reducing costs is not the main motivation behind the U-M policy. Changing the culture to encourage caregivers to admit mistakes also has improved patient safety, which is much more difficult to measure, he says.

"We cannot improve if we're not honest about mistakes. By engaging the patient early — and mostly listening more than talking at first — we get a fuller view of what happened, a better view of what it looked like to the patient, facts that may not be apparent from the chart alone. Engaging patients and families early even before we have reached our own conclusions allows us to get a more accurate view of what happened and provides the opportunity to correct any misimpressions and misunderstandings for everyone concerned," says Boothman.

"We are all in this together. We support our staff best by being honest

about mistakes because without that honesty, we'll never fix the problem, other patients may get hurt and we'll expose our staff to that heartbreak again, too. Honesty is the key to improving and hurting no one else is the best risk management I can imagine."

Provided by University of Michigan Health System