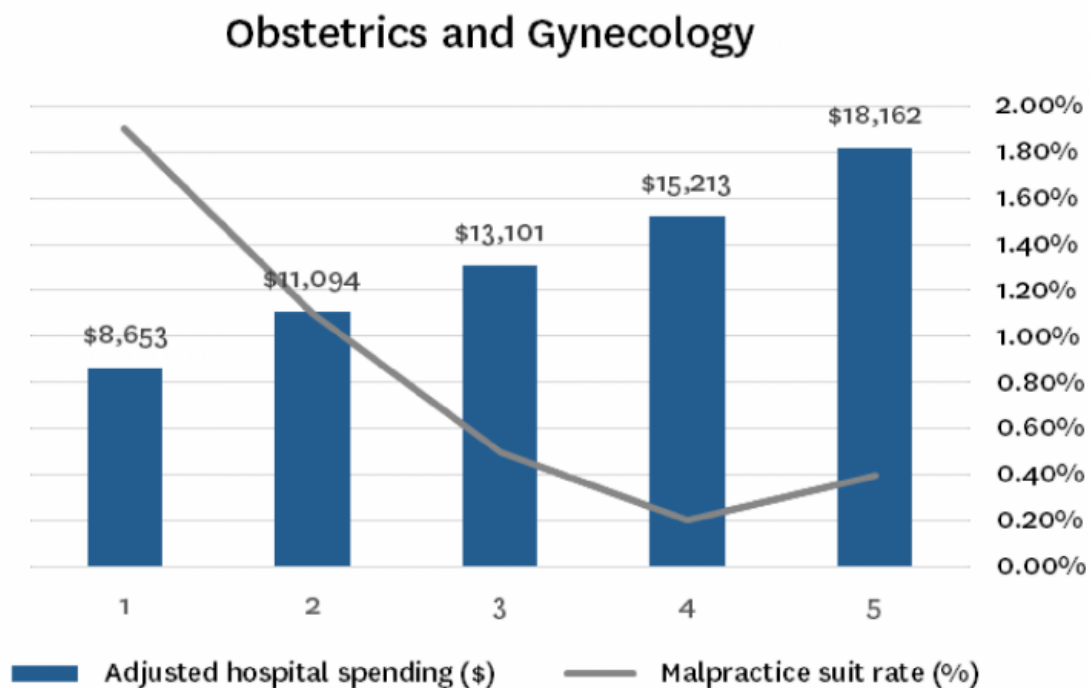


# Spending more on patients lowers doctors' malpractice risk, study finds

November 4 2015



Rate of malpractice claims and adjusted hospital spending per physician year are shown. Credit: USC Schaeffer Center for Health Policy and Economics

Physicians who spend more money and resources conducting tests and procedures for patients are less likely to be sued for malpractice, according to a new study that indicates "defensive medicine" may work.

Published Wednesday, Nov. 4 by *BMJ*, the study by researchers at USC, Harvard University and Stanford University noted that doctors in surveys worldwide said they practice defensive medicine - doing more for patients because they believe it reduces [liability risk](#). The study affirms this widely-held assumption, tying higher [spending](#) to lower [malpractice](#) claim rates through an analysis of Florida physician and claims data.

Researchers also gave special attention to Caesarean deliveries due to ongoing concerns that many C-sections are performed predominantly due to physicians' malpractice concerns. The link was obvious here, too: The more C-sections that an obstetrician performed, the less likely he or she was to face malpractice complaints.

The findings raise concerns that malpractice risk could be an impediment to [health care](#) reform.

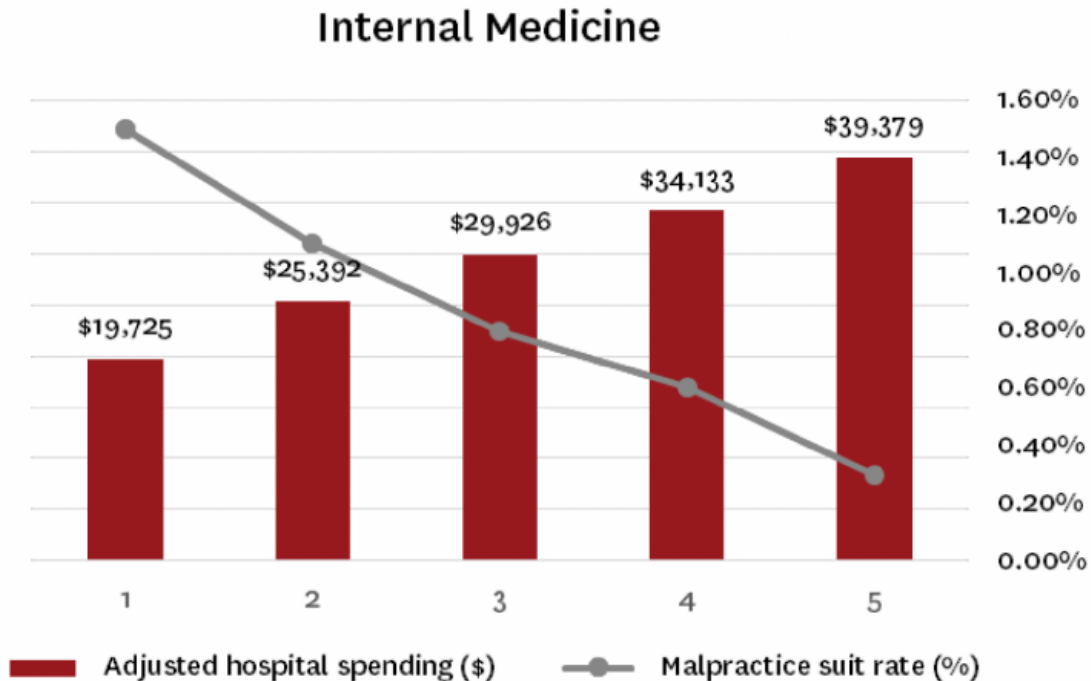
"More and more we are relying on physicians to help eliminate wasteful spending in health care. However, if physicians perceive that lowering spending will subject them to greater malpractice risk, it will be that much harder to move the needle on [health care spending](#)," said Seth Seabury, an author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

Legislators and federal officials have tried to remove financial incentives for physicians and hospitals to provide excessive treatment through payment reform.

"One of the reasons we are moving away from the fee-for-service model is to remove the incentives of physicians to spend more. But if spending

continues to shield physicians from liability risk then that incentive will still be there," said Seabury, who also is an associate professor of research at the USC School of Pharmacy and at the Keck School of Medicine of USC's Department of Emergency Medicine.

A doctor's effort can influence the outcome of a malpractice lawsuit.



Rate of malpractice claims and adjusted hospital spending per physician year are shown. Credit: USC Schaeffer Center for Health Policy and Economics

"Higher spending may signal to patients, judges and juries that despite an error, the doctor did everything possible to help," said Dr. Anupam Jena, the study's lead author who is a Harvard Medical School associate professor in the Department of Health Care Policy.

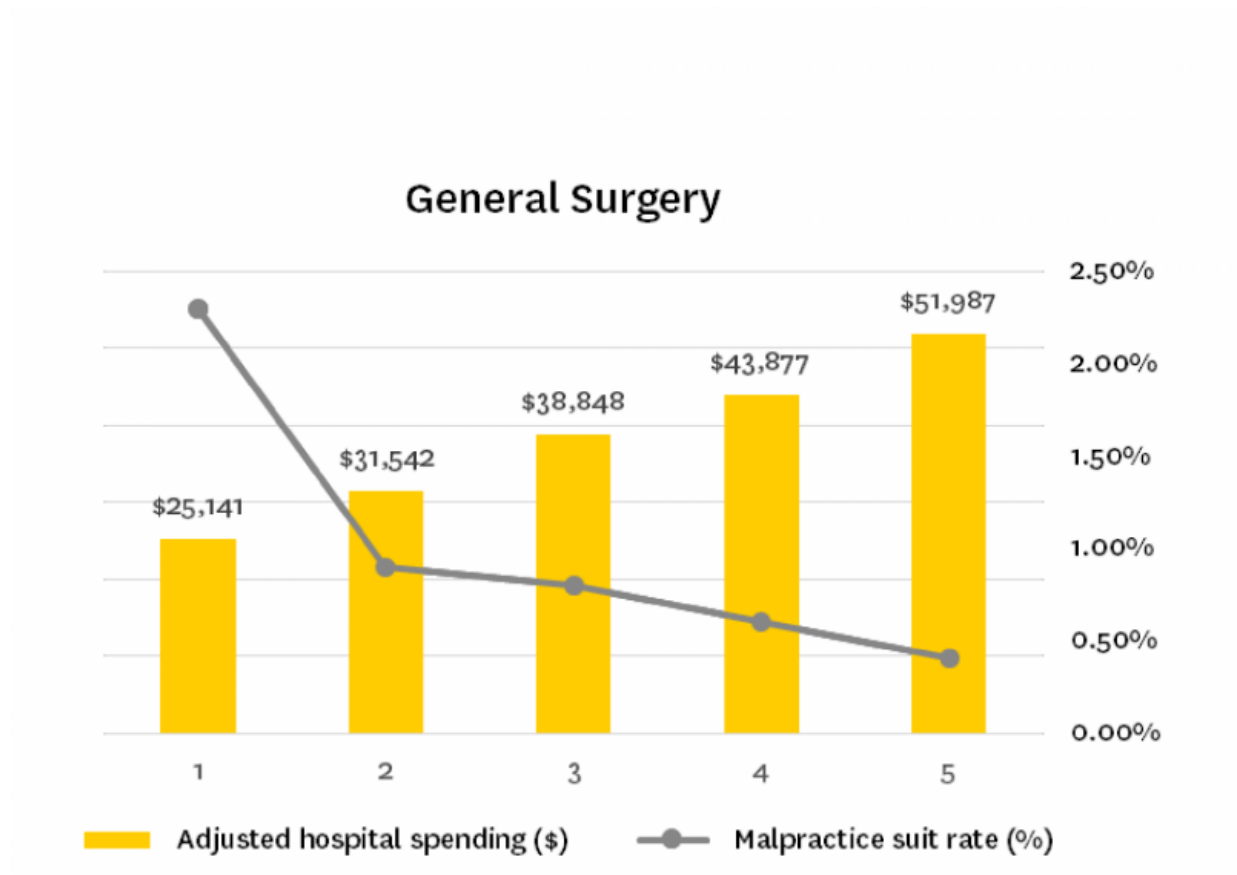
## Study details

The researchers obtained data from the Florida Agency for Health Care Administration and from the Florida Office of Insurance Regulation for the years 2000 to 2009. The databases included 24,637 physicians with a role in an estimated 19 million hospital discharges and 4,342 [malpractice claims](#).

The researchers analyzed the doctors' malpractice and adjusted hospital spending rates in "physician years" - the course of a year in which any given physician appeared in the data. Researchers found an inverse correlation: As adjusted hospital spending per physician year increased, the malpractice rate dropped.

In internal medicine, for example, the malpractice claim rate per physician year was 1.5 percent, when spending was \$19,725 per hospitalization. The claim rate was even lower - 0.3 percent - when spending reached \$39,379 per hospitalization.

In obstetrics and gynecology, malpractice claim rates were significantly lower when C-section deliveries were high. The malpractice claim rate fell from 5.7 percent to 2.7 percent when the average adjusted C-section rate per obstetrician year rose from 5.1 percent of all deliveries to 31.6 percent.



Rate of malpractice claims and adjusted hospital spending per physician year are shown. Credit: USC Schaeffer Center for Health Policy and Economics

## Unanswered questions

The researchers acknowledged some limitations that raised questions worth further study:

- The data didn't reveal physician motivation or proclivity. Perhaps some doctors were especially precautionary to reduce errors in patient care. In those cases, spending might not have been

wasteful.

- The data couldn't distinguish between whether the increased spending was associated with better outcomes or simply reduced the likelihood of a malpractice claim for a given outcome.
- The study utilized only inpatient data; however, half of all paid malpractice claims are for inpatient incidents.
- The physician of record might not have been responsible for total spending on a patient.
- The study did not account for situations in which a doctor might avoid treating a patient because he or she represents a high liability risk.
- The data were from a single state, Florida, whose health care and malpractice systems may differ from other states'.

## Possible solutions

Prior studies have suggested that malpractice claims are often filed due to issues with the physician-patient relationship. Malpractice claims also are often based on a doctor's failure to do something that should have been done (an error of omission), or doing something that shouldn't have been done (an error of commission).

"We need reforms that disentangle malpractice risk from spending, so that physicians who practice safe and effective medicine don't feel the need to spend more for defensive purposes," Jena noted.

**More information:** Physician spending and subsequent risk of malpractice claims: observational study, *BMJ*, [www.bmj.com/cgi/doi/10.1136/bmj.h5516](http://www.bmj.com/cgi/doi/10.1136/bmj.h5516)

Provided by University of Southern California

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