

POLICY PRESCRIPTIONS®



- Defensive Medicine: in states that implement tort reform versus states that do not implement such reform, there is a five to nine percent decrease in the Medicare payments for hospital care of patients over 65 years old with ischemic heart disease

The Quarterly Journal of Economics. 1996; 111 (2): 353-390.

- Physician supply: Some studies demonstrated a 3 percent increase in physician supply over three years. Others show up to a 12 percent increase in per capita physician supply in states with malpractice caps than those without caps.
- Defensive Medicine: 59 percent of physicians report ordering unnecessary medical tests, 52 percent made unnecessary referrals, and 33 percent prescribe unnecessary medications
- The approximate decrease in malpractice premium growth is about 6 to 13 percent in states with malpractice caps compared to states without them

The Robert Wood Johnson Foundation. (2006) Medical Malpractice: Impact of the crisis and effect of state reforms. Research Synthesis Report #10.

- A national cap of \$250,000 could save 8 percent on total malpractice premiums or \$1.4 billion annually
- The level of damage caps matters: caps more than \$500,000 increase premiums
- No other tort reform (aside from caps) has a significant effect on premiums
- When investment returns in the Dow Jones is higher, premium growth is constrained

The Robert Wood Johnson Foundation. (2007) Investment Returns and Size of Damage Caps Impact Rising Cost of Malpractice Premiums

- No statistical difference could be detected in private health insurance premiums as a result of malpractice caps

Health Services Research. 2008. 43 (6): 2124-2142.

- For every 20 percent increase in premiums from one location compared to another, surgeons are 15 percent less likely to practice there (RR=0.852)
- Surgeons are over three times as likely to begin practice in areas with malpractice caps compared to areas without damage caps (RR=3.361)

Health Services Research. 2009. 44 (4): 1475-6773.

- Defensive medicine is estimated to cost \$46 billion annually, whereas indemnity payments and administrative costs are estimated at \$6 billion and \$4 billion, respectively.

Health Affairs. 2010; 29(9):1569-77. and Health Affairs. 2010; 29(9):1578-84.

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