



# MASSACHUSETTS MEDICAL SOCIETY

*Every physician matters, each patient counts.*

## **Defensive Medicine: A Synopsis**

- In early 2008, the MMS conducted a first-of-its-kind survey showing that the practice of defensive medicine is widespread and adds billions of dollars to the cost of health care in the Commonwealth.
- 83 percent of the physicians in the eight specialties surveyed reported practicing defensive medicine
- An average of 18 to 28 percent of tests, procedures, referrals and consultations and 13 percent of hospitalizations were ordered for defensive reasons. (Surveys in other states have reported similar findings.)
- These are conservatively estimated to cost a minimum of \$1.4 billion in Massachusetts alone.
  - This number only accounts for the tip of iceberg as it does not include the costs of tests and imaging ordered by the 54% of physicians in the other specialties nor the cost of unnecessary observation admissions, referrals or prescriptions.
- Over 48 percent of Massachusetts physicians 2007 reported that they altered or limited their day-to-day practice activities because of the fear of being sued.
  - Due to fear of malpractice claims, many specialists have closed their practices, stopped performing high-risk procedures, or reduced their care of high-risk patients, leading to restricted specialist access especially in smaller towns and cities.
- Patients exposed to unnecessary imaging tests face the risks of radiation exposure, and many surgical procedures, such as Caesarean sections (now estimated to be one in three births), have increased as a result of liability concerns.
- Nationally, multiple studies have estimated the costs of defensive medicine to account for 8-15% of all health care costs, or \$190 to 360 billion annually (or about \$4 – \$7.5 billion in Mass.).

## **POSSIBLE REMEDIES**

- The Joint Commission and numerous consumer organizations, including “Sorry Works Coalition,” support a new model that fundamentally transforms the system and:
  - enhances patient safety at every health care site
  - encourages open communication, full disclosure and transparency when adverse events occur
  - offers sincere apologies for avoidable injuries with timely and fair compensation
  - resolves disputes through mediation and uses the court system as last resort
- This proactive advocacy model compensates more patients more quickly while dramatically reducing litigation and restoring trust among all parties.
- The University of Michigan health system instituted this model in 2001.
  - Open cases fell from 300 to fewer than 80
  - New cases dropped from 262 in 2001 to 73 in 2007
  - Average case resolution time has dropped from 20 months to 8 months
  - Transaction expenses have dropped down from \$48,000 per case to less than \$20,000
  - By 2002, the system stopped buying reinsurance
  - By 2007, the Uof M reduced its reserves from \$72 million to \$17 million; putting balance back into patient safety improvement initiatives.
  - Premiums have dropped dramatically; for example, annual OB/GYN premiums are \$30,000 compared to approximately \$100,000 outside of the system.
  - The Culture has changed, less pressure to practice defensive medicine

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