

MEDICAL LIABILITY COSTS RISE FOLLOWING MEDICAID EXPANSION

The Affordable Care Act, enacted in 2010, increased the number of Medicaid patients without increasing the number of doctors. Is this resulting in more medical malpractice?

When the Affordable Care Act (ACA) passed, many politicians were concerned. How would increasing the demand for doctors before new physicians could be trained impact healthcare?

Martin Grace and Jingshu Luo study the medical malpractice costs assumed by insurers, doctors and hospitals following the ACA. They find that healthcare professionals in Medicaid expansion states paid higher medical liability costs than those in non-expansion states in the years after the ACA was passed.

The researchers also find that a series of tort reforms, or changes to the justice system that limit the compensation victims receive in a case of medical malpractice, had little impact following Medicaid expansion. The tort reforms' lack of impact suggests that increasing medical malpractice was driven not by the severity of mistakes, but by a higher frequency of small mistakes.

The study offers evidence that the shortage of doctors serving Medicaid patients is contributing to the increase in medical errors. Efforts to increase the number of doctors serving Medicaid patients may help reduce medical errors.

MAJOR TAKEAWAYS:

- Insurers, doctors and hospitals in Medicaid expansion states paid higher medical liability costs than those in non-expansion states in the years following the ACA.
- The increase in medical malpractice was driven not by the severity of mistakes, but by a higher frequency of small mistakes.
- Efforts to increase the number of doctors serving Medicaid patients may help reduce medical errors.

WHO NEEDS TO KNOW:

- Doctors serving Medicaid patients
- Hospitals
- State legislatures and policymakers
- Congressional staff
- Health insurance industry

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- Medicaid expansion, tort reforms, and medical liability costs. <https://doi.org/10.1111/jori.12376>