Kachalia et al., "Liability claims and costs before and after implementation of a medical error disclosure program"

Daniel Prinz
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- since 2001, the University of Michigan Health System (UMHS) has fully disclosed and offered compensation to patients for medical errors
- article compares measurements of claims for compensation before and after the implementation of the disclosure program
- finds that the number of claims for compensation, the number of lawsuits, the time to reporting, the costs of patient compensation, and legal costs decreases
- ethical obligations and patient safety principles support prompt disclosure of harmful medical errors
- disclosure can strengthen trust in the patient-physician relationship is widely acknowledged as the “right thing” for hospitals and physicians to do
- fears that disclosure will invite new claims or complicate subsequent litigation can inhibit the impulse to disclose
- disclosure may not occur as frequently as we might hope
- unclear whether disclosure will increase or decrease liability
- UMHS launched a comprehensive claims management model with disclosure in 2001
- this article evaluates the UMHS program on liability-related performance
Methods

The Claims Model

- before 2001, UMHS pursued a traditional approach to risk and claims management
  - assign claim to a defense counsel
  - claims management committee reviewed claims and advised on settlement or trial
- since 2001, UMHS responds to claims by admitting fault and offering compensation when an internal investigation reveals medical error

Design

- before and after model
- study period: July 1, 1995 to September 30, 2007
- initial implementation: July 1, 2001
- full implementation: February 1, 2003
- categorize claims on the basis of their date of reporting

Data Sources and Measures

- UMHS risk management database: claims-related performance data, such as injury and disposition dates, disposition status, and liability costs
- Clinical Information & Decision Support Services database: number of new claims, number of claims receiving compensation, time to claim resolution, claims-related costs
- claim: any request for compensation for an unanticipated medical outcome
- liability cost: sum of all patient compensation and legal costs incurred by UMHS

Statistical Analysis

- negative binomial generalize linear models with a log link
- rate ratios to compare rate of claims before and after implementation
- locally weighted smoother (lowess) to display trends over time
- piecewise regression with linear splines to assess the difference in trends before and after implementation
time to claim resolution assessed using survival analysis (Kaplan-Meier estimators, Cox proportional hazards regression model)

differences in costs assessed using GLM with a gamma distribution and log link

**Results**

- monthly rate of new claims decreased from 7.03 to 4.52 per 100,000 patients
- changes in rates of claims statistically significant only for claims that resulted in a lawsuit
- no change in the rate of claims that did not result in a lawsuit
- monthly rate of lawsuits decreased from 2.13 to 0.75 per 100,000 patients
- median time to resolution decreased from 1.36 years to 0.95 years
- total and legal costs decreased
- the average cost of lawsuits decreased from $405,921 to $228,308

**Discussion**

- analysis of comprehensive disclosure program at UMHS detected reduced rate of claims, primarily driven by a decrease in the number of lawsuit, lower liability costs, and shorter time to resolution
- findings demonstrate that it is possible to implement a disclosure-with-offer program without increasing liability claims and costs
- similar findings at the Veterans Affairs Medical Center (VAMC) in Lexington, Kentucky