The Cost of Defensive Medicine

Defensive medicine is the overuse of tests, consultations, or admissions as a means of self-protection against malpractice.

Maryland’s Defensive Medicine Costs

Nationally, 13 percent of spending on hospital services is at least partially defensive.


WHAT THIS MEANS FOR MARYLAND

$2.1 billion in potentially unnecessary spending

Percent of physicians who say they would perform a procedure that may not be medically warranted due to malpractice fears


About Us:
The Maryland Hospital Association advocates on behalf of Maryland’s 64 hospitals and health systems; membership is composed of community, teaching, specialty, long-term care, and veterans hospitals.
Maryland Needs Tort Reform

Maryland’s Liability Costs TOP the List

- Ranked 7th in the nation in per capita medical malpractice payouts in 2014
- One of ten states with more than $100M in medical malpractice payouts in 2014
- From 2012 to 2014, malpractice payouts spiked $60 million, topping out at $135 million in 2014

Source: Diederich Healthcare, Medical Malpractice Payout Analysis, 2015 based on data recorded by the National Practitioner Data Bank

Surgeons & Ob-Gyns typically pay between $115,000 and $158,000 per year for malpractice insurance in the greater D.C. and Baltimore areas


Nationally, 90 percent of cases that go to trial are adjudicated in favor of physicians


Caps on noneconomic damages are strongly tied to reduced malpractice claims and insurance premiums

Source: CBO Background Paper. Medical Malpractice Tort Limits and Health Care Spending, 2006

What Maryland Needs

PASS legislation to improve Maryland’s costly liability environment, including a no-fault birth injury compensation fund

REJECT trial lawyers’ attempts to raise the state’s cap on non-economic damages
Maryland’s cap on awards for non-economic damages is currently $770,000 and continues to rise $15,000 annually.

Comparison of Caps on Awards for Non-Economic Damages Among Select States

Maryland’s cap on awards for non-economic damages is among the highest of states with caps.

The Congressional Budget Office estimated that a fixed cap of $250,000 on awards of non-economic damages reduced medical malpractice premiums, health care spending, and hospital spending per capita.

Source: CBO’s Analysis of the Effects of Proposals to Limit Costs Related to Medical Malpractice, 2009; Medical Malpractice Tort Limits and Health Care Spending, 2006.