The threat of meritless claims of medical malpractice reportedly prompts many physicians to engage in the practice of defensive medicine, thus raising the cost of care without a commensurate improvement in outcomes.

Emerging “disclosure and offer” (D&O) programs replace the common response of categorically denying negligence and refusing payment with a policy of recognizing the injury, fully disclosing to patients all information surrounding their care, and offering an apology and remediation if warranted. D&O programs thus mark a switch from a reactive strategy of responding to patients’ demands for compensation to a proactive strategy of preempting them. The reduced likelihood for meritless lawsuits in turn should mute the incentives for defensive medicine.

I test this prediction by studying a D&O program that was implemented in April 2006 at a large urban academic medical center in the Midwestern United States and is considered one of the earliest and most comprehensive nationwide.

To estimate how the program affected inpatient mortality, length of stay, and total hospitalization charges, I apply a difference-in-differences approach to 4.1 million administrative inpatient records from 2002 to 2008 that represent all discharges from the intervention site and 32 non federal general medical centers in the same jurisdiction, which serve as comparison sites.

Relative to its pre-implementation trend and relative to the trend at the comparison sites, the D&O program led to a statistically significant decline in total hospitalization charges and average patient length of stay without adversely impacting mortality rates, consistent with the predicted reduction of defensive medicine. These results are robust when the full set of comparison sites is replaced with a “synthetic control”, a weighted subset that matches the intervention site’s pre-implementation time series.

Lorens A. Helmchen, Ph.D., is an Associate Professor in the Department of Health Administration and Policy at George Mason University. He teaches graduate courses on health economics and health services research methods.

In his research, Dr. Helmchen studies how incentives and information influence provider and patient treatment choices and healthcare outcomes.

Dr. Helmchen is a Co-Investigator on a $3 million grant from the Agency for Healthcare Research and Quality (AHRQ) that aims to evaluate how the disclosure of medical errors affects patients’ likelihood to sue and receive compensation, and their assessment of the quality of care. Dr. Helmchen is also studying quality-relevan mechanisms in the provision of cancer care and cardiac revascularization. In a separate project, he is investigating the demand for genetic tests by individuals at risk for Huntington disease.

Dr. Helmchen earned a Ph.D. in economics from the University of Chicago and an M.A. in economics from Humboldt University in Berlin, Germany.

For More Information: 703-993-1929 or vbartush@gmu.edu