

Physician Shortages Loom While Malpractice Premiums and Claims are at Record Lows

The nation's physicians have benefited from more than a decade of stable and dropping medical malpractice claims and premiums. Yet the American Congress of Obstetricians and Gynecologists (ACOG) is predicting a growing shortage of ob/gyns.¹ It is obvious that the reasons for this are unrelated to insurance premiums or claims. The reasons – and solutions – lie elsewhere.

Medical malpractice insurance premiums have been stable or dropping for over a decade, including for ob/gyns.

- Insurance data show that, “The cost of medical malpractice insurance dropped 1.1% for three bellwether medical specialties in 2017 [including ob/gyns], which would be the 10th consecutive year of decline except for a 0.2% increase in 2015.... Insurance premiums continue to trail inflation for many physicians, some of whom pay less in unadjusted dollars than they did in 2001.”²
- Similarly, the American Medical Association reported that, “the period between 2008 and 2017 was one of increasing stability in medical liability premiums.”³
- “The findings belie the notion of a medical liability crisis despite the continued push ... to cap noneconomic damages in such lawsuits and enact other tough tort reforms.”⁴

Medical malpractice claims and payouts are also at record lows.

- Insurance industry closed claim data show, “average and median paid claims have remained relatively unchanged [from 2006 to 2015] and 2015 saw the lowest number of paid claims when looking at the ten-year span.”⁵
- “[C]laim frequency remains relatively flat and near historic lows across the MPL [medical professional liability] industry....”⁶

Age, workload, and Medicaid reimbursement problems are the reasons why ACOG is predicting a shortage of ob/gyns; this has nothing to do with insurance premiums or liability issues.⁷

- ACOG expects a ob/gyn shortage “of up to 8,800 ob/gyns by 2020, with the shortfall approaching 22,000 by 2050.”
- A “key driver of the shortage” is retirements, with “51” now the average ob/gyn age; “[o]nly 16% of ob/gyns were age 40 or younger.” Researchers wrote, “In the metropolitan areas

with older ob/gyns and higher workloads, we expect that they have a greater risk of shortages.”

- The risk of shortages is also greater in metropolitan areas with the highest number of women who were uninsured or covered by Medicaid since Medicaid reimbursement trails “private insurance creating downward pressure on ob/gyn compensation.”
- **In 3 out of 5 of the cities** that are “at high risk for an ob/gyn shortage” (i.e., Las Vegas; Los Angeles; and Riverside, Calif.), the state **already caps** compensation to injured patients, showing that “tort reform” is not an answer to this problem.

The new ACOG study is consistent with others that have found that age and workload problems are behind physician shortages.

- According to a 2017 *Medical Economics* report, “Soft data suggest that physicians are retiring at a younger age due to regulatory burdens, and that more young physicians are opting for non-clinical careers.”⁸
- The Association of American Medical Colleges found in 2017 “For all specialty categories, physician-retirement decisions are projected to have the greatest impact on supply, and more than one-third of all currently active physicians will be 65 or older within the next decade.”⁹

NOTES

¹ Christopher Cheney, “Severe Ob/Gyn Shortage Looming; Most at risk: areas with aging staff and high workloads,” *MedPage Today*, July, 1, 2018, <https://www.medpagetoday.com/obgyn/generalobgyn/73785>, discussing Doximity, “2018 OB-GYN Workforce Study Looming Physician Shortages: A Growing Women’s Health Crisis,” June 2018, https://s3.amazonaws.com/s3.doximity.com/press/OB-GYN_Workload_and_Potential_Shortages_2018.pdf

² Robert Lowes, “Malpractice Premium Trends Belie Malpractice Crisis,” *Medscape*, October 5, 2017, <https://www.medscape.com/viewarticle/886681>, discussing *Medical Liability Monitor*, “Annual Rate Survey Issue,” *Medical Liability Monitor* (October 2017).

³ American Medical Association, *Medical Professional Liability Insurance Premiums: An Overview of the Market from 2008 to 2017* (January 2018), <https://www.ama-assn.org/sites/default/files/media-browser/public/government/advocacy/policy-research-perspective-liability-insurance-premiums.pdf>

⁴ Robert Lowes, “Malpractice Premium Trends Belie Malpractice Crisis,” *Medscape*, October 5, 2017, <https://www.medscape.com/viewarticle/886681>, discussing *Medical Liability Monitor*, “Annual Rate Survey Issue,” *Medical Liability Monitor* (October 2017).

⁵ American Medical Association, *Medical Professional Liability Insurance Indemnity Payments, Expenses and Claim Disposition, 2006-2015* (January 2018), <https://www.ama-assn.org/sites/default/files/media-browser/public/government/advocacy/policy-research-perspective-liability-insurance-claim.pdf>

⁶ *Medical Liability Monitor*, “Annual Rate Survey Issue,” *Medical Liability Monitor* (October 2017). *See also*, Robert Lowes, “Malpractice Premium Trends Belie Malpractice Crisis,” *Medscape*, October 5, 2017, <https://www.medscape.com/viewarticle/886681>

⁷ Christopher Cheney, “Severe Ob/Gyn Shortage Looming; Most at risk: areas with aging staff and high workloads,” *MedPage Today*, July, 1, 2018, <https://www.medpagetoday.com/obgyn/generalobgyn/73785>, discussing Doximity, “2018 OB-GYN Workforce Study Looming Physician Shortages: A Growing Women’s Health Crisis,” June 2018, https://s3.amazonaws.com/s3.doximity.com/press/OB-GYN_Workload_and_Potential_Shortages_2018.pdf

⁸ Heidi Moawad, “Can the looming physician shortage be stopped?” *Medical Economics*, May 22, 2017, <http://medicaleconomics.modernmedicine.com/medical-economics/news/can-looming-physician-shortage-be-stopped>

⁹ Association of American Medical Colleges, *The Complexities of Physician Supply and Demand: Projections from 2015 to 2030*, February 28, 2017, https://aamc-black.global.ssl.fastly.net/production/media/filer_public/a5/c3/a5c3d565-14ec-48fb-974b-99fafaecb00/aamc_projections_update_2017.pdf.