

Introduction

The relationship between medical malpractice laws and healthcare has been an issue battling since the early 1980s. The relationship differs among states because some states have stricter malpractice laws and others have less strict laws, which ultimately affects the healthcare costs within that state. It is argued that because of the risks of lawsuits against doctors, they tend to practice more defensive medicine, affecting health costs and lawsuit rewards

Literature

- Kaiser Family Foundation "Health Care Expenditures per Capita by State of Residence." *KFF*, 13 Sept. 2022
- Hellinger, F. J., & Encinosa, W. E. (2006). *The Impact of State Laws Limiting Malpractice Damage Awards on Health Care Expenditures.*
 - "Summary Medical Liability/Medical Malpractice Laws." *National Conference of State Legislatures*,

Results and Implications

As you go from the non-south to the south, healthcare spending increases in the southern states by \$250.40 which makes the South an influence in high healthcare expenditures. I also observed that Virginia has a low healthcare spending of \$9,195.00 per capita, but they have high restrictions making it harder for patients to recover in medical malpractice damages, which makes for more defensive medicine that lowers healthcare spending. This supported my main hypothesis. Lastly the multiple regression chart shows that MDs employed per capita, and employment of lawyers have the most direct effect in the increase in healthcare expenditures rather than the level of medical malpractice damage cap restrictions. For every MD employed healthcare spending increases by \$6.09 and for every lawyer employed it increases spending by \$3.62.

Hypothesis and Analysis

Table 1: Level of Restrictiveness by MD's Per Capita controlled by the South or Non-South

Region	All the MD's at State Level	Level of Restriction	Level of Restriction			Total
			Low Restriction	Moderate Restriction	High Restriction	
Nonsouth	All the MD's at State Level	Low MD's	Count: 1	0	0	1
		Percent: 6.3%	0.0%	0.0%	2.9%	
		Med low MD's	Count: 12	6	9	27
		Percent: 75.0%	85.7%	81.8%	79.4%	
		Med High MD's	Count: 1	2	4	7
		Percent: 6.3%	14.3%	18.2%	11.8%	
South	All the MD's at State Level	High MD's	Count: 2	0	0	2
		Percent: 12.5%	0.0%	0.0%	5.9%	
		Total	Count: 16	7	11	34
		Percent: 100.0%	100.0%	100.0%	100.0%	
		Med low MD's	Count: 5	5	4	14
		Percent: 100.0%	83.3%	80.0%	87.5%	
Total	All the MD's at State Level	Med High MD's	Count: 0	0	1	1
		Percent: 0.0%	0.0%	20.0%	6.3%	
		High MD's	Count: 0	1	0	1
		Percent: 0.0%	16.7%	0.0%	6.3%	
		Total	Count: 5	6	5	16
		Percent: 100.0%	100.0%	100.0%	100.0%	
Total	All the MD's at State Level	Low MD's	Count: 1	0	0	1
		Percent: 4.8%	0.0%	0.0%	2.0%	
		Med low MD's	Count: 17	11	13	41
		Percent: 81.0%	84.6%	81.3%	82.0%	
		Med High MD's	Count: 1	1	3	5
		Percent: 4.8%	7.7%	18.8%	10.0%	
Total	All the MD's at State Level	High MD's	Count: 2	1	0	3
		Percent: 9.5%	7.7%	0.0%	6.0%	
		Total	Count: 21	13	16	50
		Percent: 100.0%	100.0%	100.0%	100.0%	

Nonsouth Chi = 4.294, South Chi = 4.000, P>.001, Nonsouth Phi and Cramer's V = .355, South Phi and Cramer's V = .500

Hypothesis 1: In comparison of states by region, Southern states will be more likely to have more MD's and more cap restrictiveness than non-southern states.

Table 4: Number of Malpractice Damage Laws Per State Affecting MD Employment

Number of Malpractice Damage Laws Each State Has	All the MD's at State Level	All the MD's at State Level				Total
		Low MD's	Med low MD's	Med High MD's	High MD's	
1 Damage Cap	Count	1	17	2	1	21
	Percent	100.0%	43.6%	40.0%	50.0%	44.7%
2 Damage Caps	Count	0	17	2	1	20
	Percent	0.0%	43.6%	40.0%	50.0%	42.6%
3 Damage Caps	Count	0	2	1	0	3
	Percent	0.0%	5.1%	20.0%	0.0%	6.4%
4 Damage Caps	Count	0	3	0	0	3
	Percent	0.0%	7.7%	0.0%	0.0%	6.4%
Total	Count	1	39	5	2	47
	Percent	100.0%	100.0%	100.0%	100.0%	100.0%

Chi = 3.557, P>.001, Phi and Cramer's V = .275

Hypothesis 2: In comparison of state, those having more restrictive damage caps are less likely to have MD's than states with non-restrictive damage caps.

Table 5: Level of Restrictiveness Affecting the Amount of Healthcare Spending

Level of Restrictiveness	Low Restriction	Moderate Restriction	High Restriction	Healthcare Expenditures Per Capita		
				Low Spending	Moderate Spending	High Spending
Low Restriction	Count	6	7	8	21	
	Percentage	35.3%	41.2%	50.0%	42.0%	
Moderate Restriction	Count	4	4	5	13	
	Percentage	23.5%	23.5%	31.3%	26.0%	
High Restriction	Count	7	6	3	16	
	Percentage	41.2%	35.3%	18.8%	32.0%	
Total	Count	17	17	16	50	
	Percentage	100.0%	100.0%	100.0%	100.0%	

Chi = 2.061, P>.001, Somers' d = .207

Hypothesis 3: In comparison of states, those having more restrictive damage caps are likely to have more healthcare expenditures than states with non-restrictive damage caps.

Table 6: Punitive Damage Restrictiveness Affecting States Healthcare Expenditures Per Capita

Punitive Damage Restriction Within the State	Less Restrictive	Restrictive	More Restrictive	Healthcare Expenditures Per Capita		
				Low Spending	Moderate Spending	High Spending
Less Restrictive	Count	9	13	9	31	
	Percentages	52.9%	76.5%	56.3%	62.0%	
Restrictive	Count	3	1	2	6	
	Percentages	17.6%	5.9%	12.5%	12.0%	
More Restrictive	Count	5	3	5	13	
	Percentages	29.4%	17.6%	31.3%	26.0%	
Total	Count	17	17	16	50	
	Percentages	100.0%	100.0%	100.0%	100.0%	

Chi = 2.572, P>.001, Somers' d = .888

Hypothesis 4: In Comparison of States, those having high Restrictive Punitive Damage Laws will be more likely to have Lower Healthcare Spending than those with Low Restrictions

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Strictness code	States	Damages and the Caps			Punitive
		Economic	Noneconomic	Wrongful Death	
1	Alabama		\$375,000		
	Delaware				\$250,000
	Georgia		\$150,000		
	Kentucky			No cap	
	Missouri		No Cap		No cap
	New Hampshire		No cap		
	New York	*	*	*	*
	Oklahoma		No cap		
	Rhode Island	*	*	*	*
	Vermont	*	*	*	*
2	Washington	\$75,000	\$75,000		x
	Wyoming			No cap	
	Arizona			\$300,000	
	California		\$400,000		
	Connecticut		1 Million ~		
	Hawaii		\$375,000		
	Idaho		\$250,000		\$250,000
	Kansas		No cap	\$250,000	No Cap
	Maine		\$750,000		\$250,000
	Ohio			1 Million +	
3	Oregon		No Cap		x
	Alaska		\$400,000	\$750,000	
	Arkansas		\$500,000		\$300,000
	Louisiana		\$500,000		
	Maryland		\$650,000		
	Massachusetts		\$500,000		
	Mississippi		\$500,000		Award Based on Wage
	Montana		\$250,000		Award Based on Wage
	New Jersey				Not Liable
	North Carolina		\$500,000		\$250,000
4	North Dakota		\$500,000		
	South Dakota		\$500,000		
	Texas		\$250,000		
	Wisconsin		\$750,000		\$250,000
	Colorado		1 Million ~	\$500,000	
	Indiana		/		
	Iowa		x	\$250,000	
	Michigan		\$500,000		
	Minnesota				
	Nevada		\$375,000		\$100,000
5	Pennsylvania		No Cap		Award Based on Wage
	Utah				x
	West Virginia		\$250,000		\$500,000
	Florida		\$250,000		\$300,000
	Illinois				x
	Nebraska		\$500,000		
	New Mexico		\$600,000	\$600,000	\$750,000
	South Carolina		\$375,000		\$500,000
	Tennessee		\$750,000		No cap
	Virginia		x	x	\$400,000

The Effects of Medical Malpractice Laws in the American States on Healthcare Expenditures