THE IMPACT OF PATIENT SATISFACTION ON MEDICAL MALPRACTICE INSURANCE

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“Not every suit can be avoided, but understanding the role of good (and bad) patient communications can lead physicians and health plans to practices that can lessen their risk.”

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Introduction

Communication, service, and patient satisfaction are known to be linked to liability risk and litigation, but the extent is greater than originally believed. These elements of patient satisfaction are drivers of claims.

- Patient satisfaction is a strong driver of professional liability risk and litigation
- Patients are becoming educated consumers seeking value from, and communication with, their provider
- Patients expect a high level of service, particularly as their healthcare costs increase
- Developing the physician-patient relationship is the first step to reducing liability risk

Market Drivers / Considerations

Physicians are not just running a healthcare practice - they're running a business.

- Reduced margins of medical practices force many physicians to overschedule their days to keep their practice in the "black"
- Patients are somewhat insulated to visitation costs due to healthcare and prefer a service oriented visit with their provider
The Cost/Consequences of a Dissatisfied Patient

Physicians in the bottom third of patient satisfaction ratings had malpractice lawsuit rates 110% higher than physicians with satisfaction ratings in the top third.

- Non-meritorious claims:
  - 90% of all claims are resolved with no payment to the patient
- Over 60% of all physicians aged 55 and over have been sued at least once during their career
- The average defense costs is $37,000
- Dissatisfied patients are telling an average of 13 others about their frustration – and physicians probably don’t know it

The Patient Voice in Profitability & Litigation

In today’s society, practicing medicine carries risks.

- By proactively making improvements and increasing patient satisfaction, it may be possible to further reduce the risk of malpractice litigation
- Happy patients promote and grow your practice, enhance your reputation and reduce costs of acquiring new patients
Best Practices

- Give patients an easy, quick way to tell you about their experiences
- Surveys: Surveying enables physicians to determine, and track, patient feedback
- Physicians should take the lead on asking patients to complete the survey
- Develop patient satisfaction strategies within your practice so that you, your colleagues, and employees can:
  - Impact patient loyalty
  - Prevent patients from seeing a lawyer post-adverse event
  - Reduce professional liability risk factors

Summary

- Physicians can reduce litigation and insurance premiums by identifying causes of patient dissatisfaction and implementing patient satisfaction improvement strategies
- Not enough value has been placed on risk management / patient satisfaction strategies - their effectiveness, measurement, and benefits
- Improving patient satisfaction and risk management strategies has multiple benefits - mainly a reduction in liability risk
- Measuring patient satisfaction ultimately creates
  - Incremental revenue
  - Defrays costs for physicians (malpractice claims)
  - Improves the business, and quality, behind healthcare
Questions & Contact

Questions?

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