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**“The Effects of Risk Management Practices and Legislative Reform on Medical Malpractice Lawsuits ”**

Medical malpractice is when a healthcare provider deviates from the standards of practice and causes harm to a patient. When harm occurs, the provider may be found responsible under medical liability, tort law as applied to healthcare patients. Risk management (RM) in the medical field has two distinct yet related roles: reducing the occurrence or severity of injuries and accidents and minimizing financial loss when harm occurs.

The two research questions of this study are: (1) what have been the trends in medical malpractice cases and insurance costs in Louisiana, also compared to the entire United States, and (2) how have the reforms to medical tort law and practices in risk management affected the trends in Louisiana. The researcher used analyses of peer reviewed journal articles, data from the Louisiana Patient’s Compensation Fund (PCF), and an interview with a risk management executive in New Orleans. These research questions are relevant because instability in the malpractice insurance marketplace can lead to price increases and exits by insurers. Also, medical malpractice is a serious matter that harms patients and should be prevented with the utmost caution, and proper compensation is appropriate for patients.

In Louisiana, in response to concerns about rising medical malpractice claims, increasing insurance premiums, and exits from the marketplace by healthcare providers and insurers, the state adopted medical malpractice reform. The Medical Malpractice Act of 1975 capped total malpractice damages at \$500,000. The provider is only personally liable for up to \$100,000. The rest comes out of the state Patient’s Compensation Fund (PCF), created by the law to compensate patients who are victims of medical malpractice. The PCF is funded by the malpractice insurance premiums paid by healthcare providers that chose to participate. The only category of damage excluded from the cap is future medical costs (1984 amendment).

Louisiana ranks high among the 50 states and District of Columbia for average annual per capita malpractice costs and average annual malpractice claims per million, 11.99 (rank of 13) and 65.23 claims per million (rank of 4), respectively. For all paid claims, Louisiana has remained fairly constant, with periodic increases and decreases. In contrast, over the same time period, the US experienced a general trend of decline. The literature suggests that reform has decreased the likelihood of a potential plaintiff taking the matter to court and that premium increases were stabilized as a result. The literature leaves unexplained the remaining high levels of claims and cost and lack of a downward trend.

In contrast to the plethora about legislative reform, little research has been published about risk management in Louisiana hospitals. The RM executive said that there is now a strong focus on eliminating preventable accidents by track and trend and by root cause analysis with input from the front line staff. We still need to learn more about how medical liability and risk management affect patient well being and compensation.