
Analysis of Oregon's Rural Professional Liability Premium Subsidy

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Thank yous

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The Oregon Professional Liability Premium Subsidy

- Why did this come about?
 - What is it?
 - Who gets it?
 - How has it affected rural medical services?
 - How has it affected maternity care services?
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Recent History of Malpractice Premium Issues in Oregon

- 1999: Oregon Supreme Court declares caps on non-economic damages unconstitutional
 - 1999-2002: sharp increases in liability premiums
 - 2002: First OHSU Family Medicine survey
 - 2003: HB 3630 passes
 - 2004: Subsidy law takes effect
 - 2006: Second survey
 - 2007: Subsidy scheduled to sunset
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2002 Obstetrical Care Survey

- All OB/Gyns, family physicians and general practitioners in Oregon
 - 34% had already stopped deliveries
 - 30.7% planned on quitting in 5 years
 - Rural providers more likely to stop
 - Liability premiums cited as most important reason to stop deliveries
 - Post 1999 vs. pre 1999: increasingly important reason to stop
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HB 3630: Rural Professional Liability Premium Subsidy

■ **Percent subsidized**

- **OB/Gyns actively delivering babies: 80% subsidy**
- **Family physicians and general practitioners who deliver babies: 60% subsidy**
- **Other rural physicians: 40% subsidy**

■ **Restrictions**

- **Employed physicians**
 - **Physicians working for IHS, migrant clinic, etc.**
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HB 3630: Rural Professional Liability Premium Subsidy

■ **Qualifications:**

- ❑ **Doctor of medicine or osteopathy**
 - ❑ **Rural practice (minimum 60%)**
 - **Office of Rural Health definition**
 - ❑ **Active, unrestricted Oregon medical license**
 - ❑ **In-force policy of medical professional liability insurance**
 - **Issued to individually named physician**
 - **Authorized insurer**
 - **Minimum coverage of \$1 mil per occurrence/\$1 mil in aggregate**
 - **No maximum premium amount**
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HB 3630: Rural Professional Liability Premium Subsidy

- How plan is administered
 - Eligibility screening by Office of Rural Health
 - Subsidy administered by SAIF
 - Insurers notify SAIF when subsidized physician no longer eligible
 - Unique policy
 - Focus on rural health
 - Graduated subsidy for maternity care
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2006 Oregon Rural and Maternity Care Survey: Questions

- What types of patient care services are currently being offered by maternity care trained providers and rural physicians in Oregon?
 - What is the current state of the maternity care workforce in Oregon?
 - Has the malpractice subsidy helped maintain rural healthcare services?
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2006 Physician Survey: Methods

- Self administered mail survey
 - Mailings
 - 1st: May 2006
 - 2nd: June 2006
 - Mailing list: OBME
 - Instrument
 - 31 question OB survey
 - 23 question rural survey
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2006 Physician Survey: Methods

- Eligible physicians:
 - All maternity care trained (OB/Gyn, FP, GP)
 - Rural or urban
 - All rural physicians
 - Office of Rural Health zip code
 - Any additional physicians receiving subsidy by SAIF records
 - Exclusions
 - In training
 - Not in clinical practice
 - Majority practice outside of Oregon
 - Did not answer significant portion of survey
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Methods: Analysis

- Three parts:
 - SAIF administrative data
 - Rural survey data
 - Maternity care survey data
 - Survey information combined with
 - OBME records (06)
 - SAIF database (04-05)
 - Definitions
 - Rural: 10 miles from centroid of population center of 30,000 or more
 - SAIF subsidy receipt: receiving subsidy at time of survey based on SAIF documentation
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SAIF Administrative Data: Totals

- Total: 1099 individual physicians received the subsidy
 - 1040 in 2004
 - 1029 in 2005
 - Total of \$10,062,414
 - \$4,687,882 in 2004
 - \$5,374,532 in 2005
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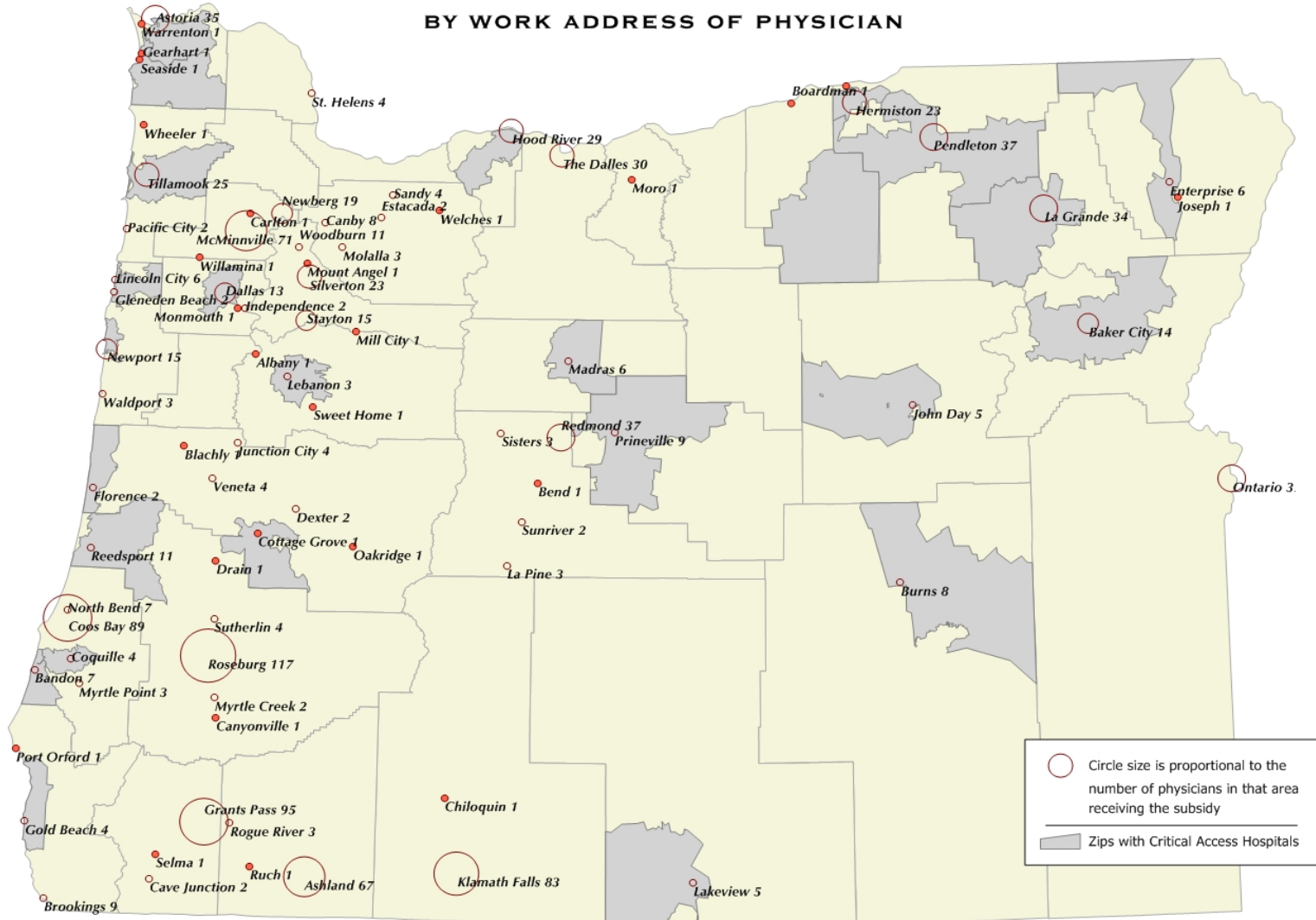
SAIF Administrative Data:

Recipients

- 12.2% of all Oregon physicians
 - 62.3% of all rural Oregon physicians
 - Specialty
 - 53.7% primary care fields
 - 18.5% medical or surgical subspecialists
 - 5.9% obstetrician/gynecologists
 - 21.9% other fields
 - Maternity care
 - 35.8% were physicians who deliver babies.
 - Practice location
 - 68.3% rural counties
 - 20.9% mixed urban and rural counties
 - 10.8% frontier counties
 - 29.7% physician shortage areas (PSAs).
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Geographic Distribution of Subsidy

MAP 1. GEOGRAPHIC DISTRIBUTION OF SUBSIDY
BY WORK ADDRESS OF PHYSICIAN



SAIF Database Analysis: Summary

- >50% of funds went to physicians in primary care fields
 - 80% of the funds went to physicians in rural and frontier counties
 - Approximately 1/3 of funds went to physicians who deliver babies.
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Survey of Rural Oregon Physicians

- Major questions:
 - What did physicians think about the program?
 - Why did 1/3 of rural physicians not get the subsidy?
 - Where subsidized physicians more likely to provide certain medical services?
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Survey of Rural Oregon Physicians

- Response rate
 - Total: 56.2 %
 - Subsidy recipients: 63.4%
 - Respondents were significantly:
 - More likely to receive the subsidy (63.8% of subsidy recipients responded vs. 46.3% of non-recipients, $P < 0.001$)
 - More likely to be in surgical fields than in medical fields (63.4% vs. 55.4%, $P = 0.009$) than non-respondents.
 - No differences in gender, age or years in practice
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Demographics of Rural Physician Respondents

| | Total | Receiving Subsidy | Not Receiving Subsidy |
|------------------------------|--------------|--------------------------|------------------------------|
| Total | 933 | 618 | 315 |
| OB/Gyn | 50 (5.4%) | 41 (6.6%) | 9 (2.9%) |
| Primary care | 496 (53.2%) | 322 (52.1%) | 174 (55.2%) |
| Subspecialty medicine | 36 (3.9%) | 29 (4.7%) | 7 (2.2%) |
| Surgery | 163 (17.5%) | 134 (21.7%) | 29 (9.2%) |
| Other | 188 (20.2%) | 92 (14.9%) | 96 (30.5%) |
| Female | 228 (24.4%) | 133 (21.5%) | 95 (30.2%) |
| Ave. age (yrs) | 50.2 | 51.0 | 48.6 |

Unexpected Finding

- 18.3% of physicians receiving the subsidy reported that they were not aware of receiving the subsidy
 - Those aware of getting subsidy are significantly more likely to:
 - Provide maternity care (77 [15.3%] vs. 6 [5.3%], $p=0.001$)
 - Provide trauma or ER care (179 [35.6%] vs. 25 [22.1%], $p=0.005$)
 - Own their own practice (434 [86.3%] vs. 81 [71.7%], $p<0.001$)
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Why Did Docs Not Know??

- Subsidy administered by various methods
 - Insurers collect subsidy and send a reduced bill or
 - Physician to receive the subsidy directly
 - No relationship between the type of notification to the physician by the insurer and physician knowledge of subsidy receipt
 - Comments:
 - “I applied but did not hear back”
 - “I filled out the application but did not hear back...”
 - “...Lack of response to my submission”
 - None of this group answered the following attitude questions
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Survey of Rural Oregon Physicians

- **Subsidy is “very important” to continuing medical service**
 - Deliveries: 60 (84.5%)
 - Prenatal care: 58 (79.5%)
 - Trauma care/ER care: 100 (58.1%)
 - Surgical care as primary surgeon: 76 (58.0%)
 - Caring for patients with Medicaid: 247 (56.9%)
 - Practicing in a rural community: 271 (56.6%)
 - Care for hospitalized patients: 135 (38.0%)
 - Care for ICU patients: 86 (34.3%)
 - Newborn resuscitation: 37 (28.5%)
 - Other: 21 (4.4%).
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Survey of Rural Oregon Physicians

- **Plans to stop provision of medical service if subsidy is discontinued**
 - Deliveries: 50 (86.2%)
 - Prenatal care: 38 (64.4%)
 - Trauma care/ER care: 145 (53.7%)
 - Surgical care as primary surgeon: 138 (46.8%)
 - Caring for patients with Medicaid: 52 (45.2%)
 - Practicing in a rural community: 45 (29.0%)
 - Care for hospitalized patients: 28 (28.0%)
 - Care for ICU patients: 21 (26.9%)
 - Newborn resuscitation: 59 (26.0%)
 - Other: 52 (17.6%)
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Survey of Rural Oregon Physicians

- Where subsidized physicians more likely to provide certain medical services?
 - Subsidized physicians were significantly more likely to provide
 - Surgical services (25.4% vs. 10.5%, $p < 0.001$),
 - Care for hospitalized patients (72.7% vs. 50.5%, $p < 0.001$)
 - Care for ICU patients (51.5% vs. 36.8%, $p < 0.001$)
 - Not more likely to provide maternity care, trauma care, or newborn care
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Survey of Rural Oregon Physicians

- Why did 1/3 of rural physicians not receive a subsidy?
 - ❑ Employed by hospital/health plan: 132 (51.0%)
 - ❑ Did not know about plan: 82 (31.7%)
 - ❑ Work for federal/state/county entity: 41 (16.0%)
 - ❑ Practice is not in rural area: 18 (13.3%)
 - ❑ Insurance carrier does not participate: 7 (2.7%)
 - ❑ Burdensome paperwork: 0 (0%)
 - ❑ Other: 15 (5.8%)
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Survey of Rural Oregon Physicians: Summary

- Subsidy is very important to rural physicians providing high risk services
 - Subsidized physicians more likely to provide high risk services than unsubsidized physicians
 - Many report plans to stop these services if the subsidy is discontinued
 - Appears to be a communication problem between SAIF and physicians
 - Existence of subsidy
 - Receipt of subsidy
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Survey of Maternity Care Providers

- Major questions:
 - Has the proportion of maternity trained physicians actually delivery babies continued to decline since 2002?
 - Has the subsidy helped maintain rural maternity care services?
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Survey of Maternity Care Providers

- 55.3% response rate
 - Responders significantly more likely to be
 - Board certified (57.0% vs. 47.5%, $p=0.002$)
 - Women (57.9% vs. 53.3%, $p=0.031$)
 - Rural and subsidized (60.9% rural vs. 52.5% urban; 68.4% subsidized vs. 52.6% non-subsidized; $p,0.001$ for both).
 - No differences in age or years in practice
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Survey of Maternity Care Providers: Demographics

| | No. (%) |
|--|----------------|
| Total | 991 |
| OB/Gyn | 227 (22.9%) |
| Family physician | 725 (73.2%) |
| General practitioner | 39 (3.9%) |
| Receive liability premium subsidy | 252 (25.4%) |
| Rural practice | 417 (42.1%) |

Survey of Maternity Care Providers

- Proportion of all physicians trained in maternity care actually delivering babies
 - 2002: 44.8%
 - 2006: 33.2%
 - Prediction based on 2002 stated intent to quit
 - 31.8% would quit by 2007
 - Actual
 - 26.8% quit by 2006
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Proportion of Maternity Care Respondents Delivering Babies

| | 2002 | 2006 |
|----------------|-------------|-------------|
| Total | 44.8% | 33.2% |
| Urban | 45.4% | 32.1% |
| Rural | 43.7% | 33.8% |
| OB/Gyns | 84.7% | 71.2% |
| FPs | 31.5% | 21.9% |

Reasons for Stopping Deliveries

| | 2002 | 2006 |
|------------------------------------|-------------|-------------|
| Liability insurance cost | 52.3% | 57.1% |
| Interference with lifestyle | 45.1% | 34.9% |
| Fear of Lawsuits | 42.2% | 25.3% |
| Low patient volume | 15.3% | 9.9% |
| Low reimbursement | 11.6% | 8.0% |

Survey of Maternity Care Providers: Did the Subsidy Help?

- Receiving the subsidy not associated with continuing maternity care 2003-2006
 - Rural physicians
 - All physicians
- Predictors of stopping deliveries by 2006
 - Solo practice
 - 73.3% vs. 30.1%, $p=0.031$
 - Higher liability premiums
 - 37.7% of those with premiums above \$5,000 a year compared to 22.2% of those with lower premiums, $p=0.001$
 - Older age
 - 8.9% of 35 and younger, 22.1% of 36-45 year olds, and 52.7% of 46 and older, $p<0.001$ for trend
 - Rural location, receipt of subsidy, specialty not associated with stopping

Survey of Maternity Care Providers: Did the Subsidy Help?

- The cost of liability insurance as a “very important” reason to stop maternity care 2003-2006
 - 70.0% subsidized vs. 54.6% non-subsidized
 - Statistically not significant
 - Plans to quit in next 5 years
 - 36.4% subsidized vs. 27.7% non-subsidized, $p=0.32$
 - 80.8% of subsidized rural physicians who planned to stop maternity care in the next 5 years cited cost of malpractice insurance as a “very important” reason to quit
 - Sig. greater than unsubsidized rural physicians
 - 80.8% vs. 41.7%, $p=0.008$
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Why Does the Subsidy Not Seem to Be Helping with OB?

- Employment differences
 - Employed physicians not eligible for subsidy
 - Practice environment
 - Availability of back up
 - Call pool size
 - Other
 - Rural/urban economic differences
 - Health insurance mix
 - Other
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Survey of Maternity Care Providers: Other Issues

- If subsidy is discontinued, sudden large increase in premiums expected
 - CNA estimates that an OB/Gyn will have a \$55,661 premium increase at today's market rates
 - Urban physicians angry about exclusion from program
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Summary Points

- >50% of funds went to physicians in primary care fields.
 - 80% of the funds went to physicians in rural and frontier counties.
 - Approximately 1/3 of the subsidy funds went to physicians who deliver babies.
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Summary Points Continued: Rural Services

- Importance to rural services
 - Most physicians feel subsidy is “very important” to continuing high risk services
 - Most report plans to stop high risk services if subsidy is discontinued
 - Subsidized physicians provide more high risk services than non-subsidized physicians in rural areas
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Summary Points Continued: OB Care

- OB care still declining at an alarming rate
 - Subsidy receipt not found to help keep physicians delivering babies
 - May be slowing an otherwise accelerating trend
 - Physicians report subsidy is important to deliver babies
 - Systematic differences between subsidized and unsubsidized physicians
 - If subsidy is discontinued, predict large drop in maternity care providers
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Summary Points Continued: Issues

- **Lack of Recipient Knowledge**
 - 18.3% of subsidized physicians unaware of receiving subsidy
 - Large implications for policy designed to affect physician behavior
 - **Need for better communication**
 - 1/3 of qualifying rural physicians not getting subsidy due to lack of knowledge of plan
 - Lack of knowledge of subsidy receipt
 - Poor method of tracking loss of eligibility
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Policy Implications

- Should the subsidy be continued?
 - For what specialties?
 - How can we administer it more effectively?
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Questions?
