

HEALTH CARE ALERT

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Ohio Department of Insurance issues 10th annual Medical Professional Liability Closed Claim Report



In November 2016, the Ohio Department of Insurance (ODI) issued its 10th annual Ohio Medical Professional Liability Closed Claim Report. Some key findings in the report include:

- For 2014, a total of 3,154 claims were reported by 96 entities.
 - Authorized insurers reported the most claims, 1,554
 - Self-insured entities reported 1,313 claims
 - Surplus lines insurers reported 245 claims
 - Risk retention groups reported 42 claims
- A large majority of medical professional liability claims resulted in no payment to a claimant. Over 76 percent of the claims (2,413) had no indemnity payments, while nearly 24 percent of the claims (741) closed with an indemnity payment. The total amount paid to claimants was \$215,615,578, an average of \$290,979 per claim in which an indemnity payment was made.

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- While most claims closed with no payments to claimants, nearly all claims generated expenses for investigation and defense. The number of claims reported to have allocated loss adjustment expenses (ALAE) was 2,584. These expenses totaled \$107,179,699, which is an average of \$41,478 per claim.



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- The amount paid to claimants typically increases with the age of the claim. Of the claims that closed with an indemnity payment, 173 closed within one year of being reported and had an average paid indemnity of \$112,696. That figure rose to \$258,629 for 203 claims closing in their second year. Fifteen claims closed seven or more years after being reported with an average indemnity payment of \$913,829.
- ALAE increased with the age of the claim, starting with an average of \$19,519 for claims that closed in the first year, and slightly increasing to \$20,527 for claims that closed in the second year. For claims closing seven or more years after being reported, the average ALAE was \$105,733.
- Nearly half of the claims (1,553) came from northeast Ohio. Of these, 24 percent (373) resulted in indemnity payments totaling \$122,493,249. Fifty-seven percent of the total dollar amount paid to claimants statewide in 2014 arose from northeast Ohio claims. However, southwest Ohio had the highest average paid indemnity of \$365,986. The breakdown of average paid indemnity for the remainder of Ohio, in descending order, is:
 - Northeast, \$328,400
 - Central, \$198,228
 - Northwest, \$197,516
 - Southeast, \$148,032

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- When claims were broken down by medical specialty, orthopedic surgery had the most claims at 202, with nine resulting in paid indemnity averaging \$277,571. For those specialties that are broken out, cardiovascular disease had the highest average paid indemnity of \$1,038,750 for eight claims with payments, out of 63 reported claims.
- Non-obstetrics related medical treatment claims, such as failure to treat, delay in treatment or improper treatment produced the highest number of claims of 874 with 183 resulting in paid indemnity. Obstetrics-related claims totaled 124. Of these, 38 resulted in indemnity payments averaging \$1,125,531, which was the highest average payment for any type of injury.

The Department of Insurance, pursuant to Ohio Revised Code § 3929.302 and Ohio Administrative Code 3901-1-64, is required to prepare an annual report to the General Assembly summarizing the closed claim data on a statewide basis. This year's report also includes comparisons of calendar year 2014 data with the data from the prior nine calendar years.

For more information please contact [Joe Elliott](#), [Bob McAdams](#) or any member of Porter Wright's [Health Law Practice Group](#).

