Will Family Physicians Really Return To Obstetrics If Malpractice Insurance Premiums Decline?

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Abstract: ***Background:*** **The loss of family physicians as obstetric providers during the last decade has had a significant impact on access to obstetric services, especially for rural populations. The expense of malpractice premiums has been cited often as a reason for physicians' discontinuation of this service.**

Methods: **Seventy-six family physicians in northern California who recently discontinued obstetrics were surveyed regarding their decisions related to obstetric practice. Those physicians who indicated that a decrease in malpractice premiums would allow them to consider resuming obstetrics were resurveyed by telephone the following year. This telephone survey occurred following a 25 percent decrease in malpractice premiums for obstetrics by the major malpractice insurance carrier for family physicians practicing obstetrics in the study area.**

Results: **Twenty-nine of the 76 physicians in the original survey who had recently discontinued obstetrics stated they would consider resuming if conditions changed. Twenty-six (90 percent) of these physicians indicated that malpractice premiums needed to change for them to consider resuming obstetrics. Following the reduction in premiums, none of these physicians reported plans to resume obstetrics or even a likelihood that they would be resuming obstetrics.**

Conclusion: **This study found that family physicians who discontinued obstetrics and cited malpractice premiums as a barrier to resuming obstetrics are unlikely to resume when rates decline. This finding suggests that other issues might be equally or more important in this decision. (J Am Board Fam Pract 1992; 5:413-8.)**

The decline in the number of family physicians practicing obstetrics has been well documented in the literature. Although 75 percent of the members of the American Academy of Family Physicians reported providing obstetric care at some time in their careers, the percentage now practicing obstetrics approximates 25 percent.[1,2] Moreover, mounting evidence demonstrates that fewer newly trained family physicians are offering obstetric care in their practice, which further exacerbates the problem.[3-5] The decrease in the number of physicians practicing obstetrics has produced the observation that family physicians who continue to deliver babies are "an endangered species."[6] This phenomenon is disturbing in light of current shortages of obstetric providers in many parts of the United States; furthermore, its greatest impact is felt in rural areas, where family physicians represent two-thirds of obstetric providers.[7]

Current literature suggests that the decision to discontinue the practice of obstetrics is complex and multifactorial. Although recent studies have reported that lifestyle issues are increasingly considered in this decision, malpractice insurance costs and fear of lawsuits have been and continue to be frequently cited as most important.[8-13] In response, legislation has been crafted to help stabilize malpractice insurance premiums by creating tort reform in some states.[7,8] Federal legislation also has allowed state Medicaid programs to provide coverage of otherwise uninsured women and to increase reimbursement for obstetric services, further improving the financial climate for obstetric practice.[12] This is the case in California, where such changes have been implemented. Legislative and administrative mandates since 1986 have led to nearly a 100 percent increase in physician reimbursement for obstetric care to

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Medicaid-sponsored (Medi-Cal) patients. Expanded eligibility now allows for pregnant women with family incomes up to 200 percent of the federal poverty level to be covered under the Medicaid program, thus expanding the coverage to a group of women often previously unsponsored for obstetric care. These reimbursement issues are obviously important and must be evaluated in relation to the cost of malpractice insurance. A recent event of possibly more importance, however, is the nearly 25 percent decline in annual malpractice premium for family physicians providing obstetric care by one of California's largest malpractice carriers.[14]

The combination of changes in reimbursement and malpractice premiums has had a substantial impact on the relative cost of practicing obstetrics for family physicians. In 1986 the additional premium offered by the current primary insurance carrier for family physicians practicing obstetrics in northern California to include low-risk obstetrics was $10,752 at the mature rate. At that time the global fee for a Medi-Cal obstetric patient was $520. In 1991 the additional premium for practicing obstetrics had dropped to $8500 for family physicians with this insurer ($6500 under a special company-sponsored obstetric risk-management program). In addition, the current global fee under Medi-Cal had risen to $1012. When stated in relation to reimbursement, billings from 20 Medi-Cal obstetric patients were needed to cover the malpractice premium for these physicians in 1986 as opposed to eight billings in 1991.

These changes in premium and reimbursement levels could increase the number of obstetric providers in three ways: (1) They should help to stem the attrition of providers currently practicing obstetrics, as cost issues are frequently cited as a key reason for discontinuing obstetrics. The number of physicians currently practicing, however, is inadequate to meet the obstetric care needs in many areas; therefore, a net increase in providers is necessary. (2) The changes might encourage physicians in training to practice obstetrics after residency. Although the changes are essential for addressing access to obstetric care in the long term, the relatively small number of graduates each year would produce only a minor impact in the short term. (3) Finally, the changes could induce back into obstetric practice a considerable proportion of the thousands of physicians who have discontinued delivering babies. Theoretically, this last factor would have a more substantial impact than the first two.

Studies in Texas (American Academy of Family Physicians Obstetrical Task Force, personal communication, 1989) and Washington State have indicated that a striking number of physicians report they would resume obstetrics if malpractice insurance premium costs decreased.[15] The recent decrease in malpractice premiums in California created an opportunity to study the effect of these changes on the attitudes regarding obstetric practice of family physicians who had recently discontinued obstetric care. Specifically, this study was designed to assess whether family physicians who cited rising malpractice rates and reimbursement issues as factors in discontinuing obstetric care — and declared an interest in resuming obstetrics if a reduction in malpractice insurance premiums occur — would, when faced with this opportunity, plan to return to obstetrics.

Methods

In 1990 all 748 family physicians listed with the California Academy of Family Physicians (CAFP) and 10 additional family physicians from the 26 inland northern California counties (identified through other means) were mailed a postcard questionnaire asking whether they were currently practicing obstetrics or had stopped obstetrics in the previous 4 years, had discontinued obstetrics more than 4 years ago, or had never practiced obstetrics[11] (Figure 1). The status of 658 (78 percent) of these physicians was determined (648 through postcard survey, 10 non-CAFP-listed physicians identified through telephone contact). A more detailed second survey instrument was mailed to the 97 respondents who reported that they had stopped obstetrics care within the last 4 years. Data were obtained on age, years in practice, practice type, proportion of practice covered by Medicaid, and the number of deliveries performed during and since their training. These physicians were also asked to specify reasons why they discontinued obstetrics and whether they would consider resuming obstetrics if certain factors changed. Those who said they would were asked to characterize the factors that would need

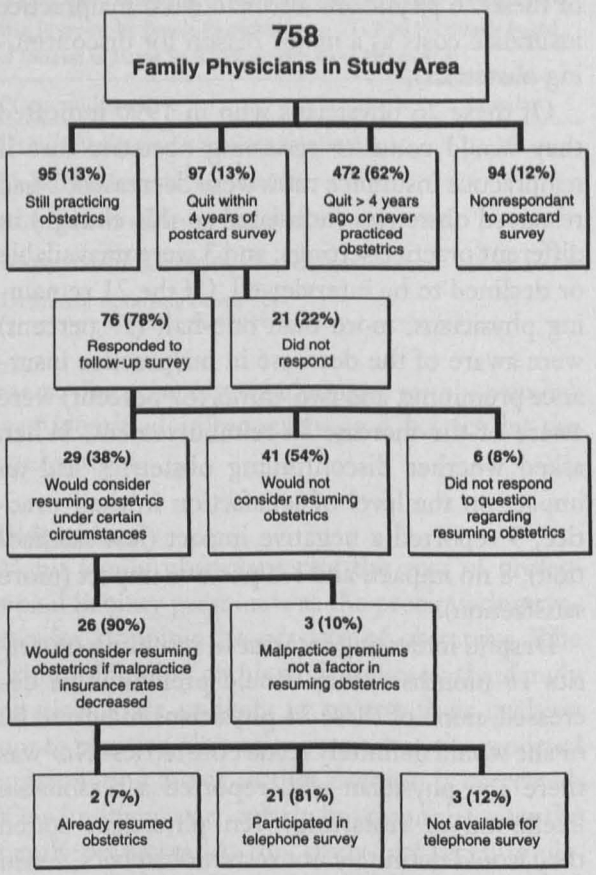

Figure 1. Flow chart of the study population.

to change for them to consider resuming their obstetric practice.

The second survey instrument was administered approximately 1 year before the changes in malpractice insurance rates described earlier. Physicians in this survey who indicated that decreasing malpractice insurance rates would permit them to consider resuming obstetrics were mailed a letter outlining the recent changes in decreased malpractice insurance. The information about increased Medi-Cal reimbursement for obstetrics also was included.

One to 2 weeks after the letter was mailed, each of the 26 physicians in this group was telephoned by a physician member of the research team. A brief questionnaire was administered containing closed- and open-ended questions. The respondents were asked whether they were previously aware of the recent changes in malpractice insurance premiums and were reminded that a major carrier in northern California was prepared to offer a substantial reduction in those premiums to family physicians practicing obstetrics. They were informed that the premium offered represented approximately a 25 percent decrease from the cost of the premium when they had discontinued obstetrics.

All respondents were also questioned regarding their knowledge of the recent increases in reimbursement for Medi-Cal-covered deliveries. After it was clear that the respondents had accurate information on malpractice insurance premiums and reimbursement, they were asked to estimate the probability that they would resume obstetric care in their practice in the next 12 months. They were given the following five-point scale: 1 = definitely not restarting obstetrics; 2 = unlikely to be restarting obstetrics; 3 = will consider restarting obstetrics; 4 = likely will restart obstetrics; 5 = definitely restarting obstetrics.

Results

One hundred ninety-two (25 percent) of the 758 family physicians in the 26 inland counties were practicing obstetrics 4 years before the study began (Figure 1). Of these physicians, 97 (51 percent) had discontinued obstetrics in the previous 4 years. This number was nearly identical to the number of physicians who reported that they were continuing to practice obstetrics (95), although only 67 of those family physicians who have continued obstetrics were practicing outside the military or as faculty in residency-training programs. Thus, in effect, more than one-half of the family physicians practicing obstetrics in these northern California inland counties had discontinued obstetrics in the previous 4 years.

Seventy-six (78 percent) of the 97 family physicians who had discontinued obstetrics responded to the follow-up survey questionnaire. In Table 1

Table 1. Comparison of Family Physicians Who Have Continued Obstetrics with Those Who Recently Discontinued Obstetrics.

Characteristics	Discontinued n = 76 Mean (± SE)	Continued n = 63 Mean (± SE)
Age (years)	44 (± 1.26)	41 (± 0.76)
Years in practice	13 (± 1.26)	10 (± 0.88)
Deliveries during training	181 (± 21.79)	218 (± 19.77)
Percent of Medicaid in total practice	17	27
Percent practicing in city > 50,000	54	24

physicians who discontinued obstetrics in the 4 years previous to the survey are compared with those who continued obstetrics in private practice. The characteristics of physicians who continued to practice obstetrics are not substantially different from physicians who have discontinued obstetrics.

In response to a question about reasons for discontinuing obstetrics, most physicians cited more than one factor. Fifty-three of the 76 (71 percent) respondents who discontinued obstetrics indicated that the cost of malpractice insurance was a major reason for discontinuing practicing obstetrics. Thirty-three (44 percent) cited fear of lawsuits, and 22 (29 percent) cited insufficient reimbursement as reasons for discontinuing obstetrics. Seventeen, or nearly 25 percent of these physicians, indicated that lifestyle issues were a factor in their decision. No other single factor was cited by more than 15 percent of the physicians as their reason for discontinuing obstetrics. Twenty-nine (38 percent) of the physicians reported that they would consider restarting obstetrics under certain circumstances. In Table 2 those who stated they would consider restarting obstetrics are compared with those who stated they would not. Twenty-six of the 29 (90 percent) stated that a decrease in malpractice premium rates would be necessary for them to consider resuming the practice of obstetrics. (Twenty-four of these 26 physicians also had cited malpractice insurance costs as a major reason for discontinuing obstetrics).

Table 2. Physicians Who Stated They Would Consider Restarting Obstetrics versus Those Who Would Not.

Characteristics	Would Restart n = 29 Mean (± SE)	Would Not Restart n = 41 Mean (± SE)
Age (years)	42 (± 1.58)	46 (± 1.88)
Deliveries during training	151 (± 14.29)	210 (± 37.97)
Deliveries after training	458 (± 119.67)	559 (± 118.75)
Percent of Medicaid in total practice	17 (± 2.60)	18 (± 3.59)
Percent obstetric practice Medicaid when doing obstetrics	34 (± 6.31)	26 (± 5.00)
Insurer (%)		
NorCal*	55	51
Doctors	21	15
Other	14	24
None	3	7
No Response	7	2

*Offers incentives for family physicians doing obstetrics.

Of these 26 physicians who in 1990 indicated they would consider resuming obstetric care if malpractice insurance rates were decreased, 2 had restarted obstetrics (unrelated to this change) in different practice settings, and 3 were unavailable or declined to be interviewed. Of the 21 remaining physicians, more than one-half (57 percent) were aware of the decrease in malpractice insurance premiums, and two-thirds (67 percent) were aware of the increase in reimbursement. When asked whether discontinuing obstetrics had an impact on the level of satisfaction in their practice, 9 reported a negative impact (less satisfaction), 8 no impact, and 3 a positive impact (more satisfaction).

Despite indicating interest in resuming obstetrics 18 months earlier should premiums be decreased, none of these 21 physicians indicated he or she would definitely restart obstetrics. Nor was there any physician who reported a reasonable likelihood of restarting. Ten physicians stated they would definitely not restart obstetrics, 7 said it was unlikely, and 4 responded they would consider it (Table 3). No physician requested further assistance in resuming obstetrics.

In response to an open-ended question, a wide variety of answers were given as to what barriers still exist for these physicians to resume obstetrics. Several respondents said their current practice situations were not conducive to obstetric practice, such as being in large multispecialty groups in which family physicians do not routinely include obstetrics in their practices. Also mentioned were practice time commitment in other areas, low need for obstetrics in current practice population, being too busy, and the interference of obstetrics in other aspects of practice. In spite of the decreased malpractice costs, insurance premiums continued to be perceived as a barrier to several respondents. The lack of "support" (from other family physicians, medical staffs, obstetricians, and even from the physicians' own families) was identified as a major barrier by a number of the respondents. Interestingly, 2 physicians reported concerns over potential transmission of human immunodeficiency virus and 1 identified inability to speak the language of a large segment of the obstetric population in his region as deter-

Table 3. Current Interest in Resuming Obstetrics after a Malpractice Rate Decrease by Family Physicians (n = 21) Who Previously Stated an Interest in Doing So if Malpractice Rates Decreased.

Physician Response	Number
Definitely planning not to restart obstetrics	10
Unlikely to be restarting obstetrics	7
Will consider restarting obstetrics	4
Likely restarting obstetrics	0
Definitely restarting obstetrics	0

rents. Surprisingly, inadequate reimbursement was identified infrequently as a barrier by the study group.

Discussion

Many family physicians cite the cost of professional liability premiums as the precipitating reason for stopping the practice of obstetrics. The principal finding of this study indicates that family physicians are unlikely to reverse their decision not to practice obstetrics even when the reported precipitating factor in that decision is corrected. This finding is particularly important because the family physicians in this study had recently discontinued obstetrics and stated that they would consider resuming obstetrics if lower malpractice premiums were available.

It could be argued that the premium reduction in this study was not sufficient to induce a major change in practice by these physicians. It should be stressed, however, that the cost of malpractice insurance relative to reimbursement from the largest single payer (Medi-Cal) is less than one-half of what it was when these physicians discontinued obstetrics. The relatively few physicians involved in the study can also be considered a weakness. Nevertheless, the study included a high proportion of family physicians from a large area of the state, and the fact that no physician in the study indicated even a reasonable likelihood of resuming strengthens these results. Further, it is noteworthy that fewer than 100 family physicians of 758 in the study area were still practicing obstetrics and that of those who recently discontinued, fewer than 30 even stated they would consider resuming obstetrics. Training in obstetrics is mandatory for family physicians; it is integral to the care of families, and societal need is high. Nonetheless, it continues to fade from family physicians' practices at an alarming rate. The small sample size in this study further underscores the magnitude of the problem of the vanishing numbers of family physician obstetric providers.

Although these findings confuse the traditional thinking to some degree, it is still clear that medical malpractice issues continue to exert a profound influence on practice patterns and access to care. It should be kept in mind that the physicians in this study overwhelmingly cited premium costs as a major reason for their discontinuing obstetrics. Rosenblatt[16] has observed that provider concern over obstetrical liability " . . . is perhaps the most perverse and pervasive issue shaping obstetrical practice . . . ." Constructing strategies in response to these concerns is an essential component in shaping policies to reverse the shortage of obstetric providers. As our study demonstrates, however, addressing malpractice issues alone will not be enough.

In the past, some of the most powerful disincentives to practicing obstetrics were economic in nature. High overhead (primarily related to insurance costs) to provide this service and a relatively low number of deliveries, many of which were poorly reimbursed, created this unfavorable economic situation. This condition, however, is changing. A study of those family physicians who have continued obstetrics in the same geographic area of this study reports that they now make a substantial income beyond the costs of malpractice premiums from their obstetric practices.[11] As economic disincentives become less important, additional research should be done to define other correctable disincentives to the practice of obstetrics beyond malpractice insurance premiums and reimbursement.

Although our study failed to define a specific additional factor that would induce physicians to return to obstetrics, a major theme did emerge in relation to this issue. That theme was a lack of expectation and support for the practice of obstetrics for these family physicians by other physicians, hospital personnel, and even the families of the family physicians. This begs the question: Is obstetrics still truly part of family practice? Further, is the malpractice issue simply a socially acceptable reason to discontinue when other factors are really the driving force?

The impact of family physicians' exodus from obstetrics is particularly acute in rural areas,

where family physicians account for two-thirds of obstetric providers.[7] Although the proportion of family physicians practicing obstetrics in rural areas is greater than in urban areas, the decrease has still resulted in large geographic areas left without any obstetric services. Mounting evidence suggests that locally available obstetric care is necessary in rural areas to assure optimal birth outcomes.[17-19] Lack of access to perinatal services in other areas of the United States, particularly to the poor, is at a crisis and is undoubtedly contributing to this country's poor perinatal statistics. If we hope to address these problems, it is critical that we determine accurately the disincentives to providing obstetric care, address them rationally, and begin to change the emerging "culture," which promotes the belief that obstetrics is no longer a part of family practice.

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