“Writing Tort Reform Laws: Do Details Matter?”

Abstract.

A meaningful and long-term area of research in economics is determining what influences the prices of health insurance and healthcare. One common explanation for recent increases in healthcare costs has been the number of malpractice lawsuits and the size of malpractice judgments. To address these concerns, different states have introduced several types of tort reforms to attempt to control increases in healthcare costs. The current research focuses on evaluating the presence of different reforms influence health costs and health outcomes, but does not consider the differences in the way these laws are written. This paper adds to the literature by examining how the differences in the writing of joint and several liability reforms affect the annual growth rate in healthcare expenditures. The results show that joint and several liability reforms that focus on intentional acts and acts in concert have no statistically significant impacts, but reforms that limit joint liability based on percentage of blame have statistically and economically significant impacts on healthcare expenditure growth rates.

*JEL Codes: I18, K13*