

Review Notes – Medical Malpractice

- Theory of Medical Malpractice
 - definition (tort)?
 - what are the goals of the tort liability system?
 - what is the deterrence hypothesis?
 - know the simple model of medical malpractice presented in class
 - assumptions/definitions
 - what is precaution?
 - the impact of precaution on total (expected) accident costs?
 - expected accident losses?
 - precaution costs?
 - what is the efficient level of precaution?
 - what is optimal deterrence and which liability rules achieve it?
 - define all three rules (negligence, strict liability, no liability)
 - assumptions
 - which rules achieve optimal deterrence?
 - problems
 - why not allow private contracting for liability?
- Empirical Evidence
 - definitions (malpractice frequency, severity, and probability)
 - What is the medical malpractice crisis?
 - Make sure that you know the historical reasons underlying the assumption of a crisis in malpractice law.
 - Medical malpractice reform
 - What are the different types of reforms and their popularity?
 - empirical issues
 - Does a malpractice crisis actually exist?
 - Physician Liability
 - Has physician liability actually increased? If so, why.
 - Was physician liability stable historically, as assumed by proponents of the crisis?
 - Does physician liability behave as predicted by the model?
- Alternatives to Medical Malpractice
 - private contracting
 - advantages?
 - disadvantages?
 - transaction costs?
 - conclusions?
 - no-fault insurance plans
 - definition (what is no-fault insurance?)
 - problems/impact of no-fault?