



THE MAGNET™



2ND QUARTER 2007
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YOUR SOURCE FOR IMPORTANT PHYSICIAN INFORMATION

MAG Mutual Delivers Dividend!

2007 marks our 25th anniversary of serving physicians, so the timing couldn't be better for us to announce that we are again distributing dividends to our physician policyholders.

Beginning June 1, \$10 million will be returned to eligible MAG Mutual Physicians and Surgeons Professional Liability policyholders of record as of the close of business April 1, 2007.

The dividend amount will be based on the number of years insured with MAG Mutual and the amount of insurance premium. For the majority of physicians, dividends will be 3% of the subject medical professional liability insurance premium. The minimum dividend is 2%.

Beginning with policies renewing on June 1, 2007, we will automatically apply the dividend as a credit on your renewal policy. For eligible policyholders who retire or do not renew their policy, the dividend will be applied to any outstanding balance or provided to them by check.●

New Resource Guide Details Medicare's Quality Reporting Program

Medicare's Physician Quality Reporting Initiative (PQRI) offers financial incentives to eligible professionals to participate in a voluntary quality reporting program. Those who successfully report quality measures on claims between July 1 and Dec. 31, 2007 may earn a bonus payment.

To help practice managers understand the program, MAG Mutual Healthcare Solutions, Inc. is offering *Medicare's PQRI and Beyond*. The book provides easy-to-read and -understand information that assists managers in their decision to participate in the program, and it explains how to implement the program.

Those who purchase *Medicare's PQRI and Beyond* will receive a CD and access to MMHSI's PQRI Web site. To place your order, visit us online at www.coderscentral.com or call us toll free at **1-888-738-7485.●**

Risk Management Tips

When Medications Are Withdrawn from the Market ...

Earlier this month, Novartis advised physicians that at the request of the Food and Drug Administration, it was suspending U.S. marketing and sales of Zelnorm, (tegaserod maleate), a treatment for irritable bowel syndrome with constipation and chronic constipation. Physicians who have prescribed this medication or **any** medication recalled or withdrawn from the market would be prudent to establish simple and proactive plans of response. In addition to discontinuing prescriptions, physicians may consider the following general recommendations:

1. Identify patients who have been prescribed the drug and determine the clinically appropriate responses for their particular medical condition, including factors like the length of time the patient has taken the drug.
2. Post notices in the waiting room and, if feasible, contact affected patients by letter to inform them of the drug's withdrawal.
3. Develop a follow-up protocol and ask patients to contact you for alternative medications or treatments, as appropriate.
4. Physicians, nurses and physician's assistants or other qualified personnel should be trained and utilized to respond to patient inquiries.
5. Place an on-hold message on your phone system regarding the recall.
6. Refer patients to the manufacturer's Web site, in this case www.novartis.com or the FDA at www.fda.gov, for detailed information.

(Continued on page 2)

In Practice. In Life.**Character Counts When
Buying Transcription
Services**

With MAG Mutual Healthcare Solution Inc.'s transcription services, medical practices can rest assured that they are receiving accurate line counts and pricing. Our transcription services are endorsed by the American Hospital Association. We also verify our line counts using an industry-leading audit tool.

One practice recently saved more than \$300,000 a year by using MMHSI transcription services, proving that how we count matters.

In addition, our accuracy exceeds the industry standard of 98 percent. This means we save physicians valuable time, while improving patient care and helping in the defense of medical professional liability claims.

That's the kind of character that counts. To learn more about our transcription services, visit us online at www.magmutual.com/hsi or call toll free at **1-888-217-2104**.

*Need an interesting speaker?
MAG Mutual's Speaker Bureau can
help. Contact Steve Davis at
1-800-282-4882.*

(Physician Recommendations for Medications Withdrawn from the Market, continued from page 1)

If a patient alleges you were in any way negligent by prescribing any withdrawn medication, please contact MAG Mutual Insurance Company's Claims Department at **1-800-282-4882**.

*MAG Mutual does not presume to establish any standard of care or establish rules for the practice of medicine. The particular patient-care strategies or range of patient-care strategies mentioned in this article should be tempered by the physician's judgement.

**Billing Consultations — Are You at Risk
for Fines and Penalties?**

Consultations, particularly outpatient consultation codes (CPT codes 99241-99245), may be the next audit target for Medicare. According to a 2006 draft report released by the Office of Inspector General, Medicare paid more than \$1.1 billion in improper payments for services billed as consultations. The most common error occurs when an encounter should be billed as an office visit vs. a consultation. Consultations billed inappropriately can result in thousands or even millions of dollars in fines and penalties. If the government takes the position that the billing errors were false or fraudulent, a physician could face paying up to three times the overpayment amount plus \$5,500 to \$11,000 per claim.

By definition, a consultation is one physician asking for the opinion or advice of another physician or qualified source. Medicare clarified consultation requirements in December 2005, stating that a request for consultation must be in writing and it must be included in the requesting physician's records.

A comprehensive, tailored compliance program that includes regular audits to check for coding errors is the best defense. For more information, please contact Dan Johnson, MAG Mutual Healthcare Solutions Inc., at **678-602-1908** or djohnson@magmutual.com.

As added protection, MAG Mutual Insurance Agency, LLC, also offers Physician Regulatory Compliance insurance. This product protects practices from fines and penalties if it is targeted for a Medicare audit. For more information, please contact Chip Goen at **1-800-294-1735**.

MAG Mutual Insurance Company rated A- (Excellent) by A.M. Best**MAG MUTUAL**[®]

Because your patients come first.

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