


# Tort Reform Update

(Georgia Supreme Court's decision to overturn the \$350,000 CAP, Continued from outside flap)

decreased. MAG Mutual has seen a 30% reduction in new medical liability lawsuits and claims since the law passed.

In our opinion, the Court's decision is a setback for Georgia citizens seeking medical care and a defeat for Georgia's physicians. Since 1982 MAG Mutual has been here for physicians and our commitment to you will never waiver.

As your company, physician-owned and physician-led, we intend to continue to work for your interests and those of the citizens of Georgia – your patients, helping to ensure that all have access to physicians when needed. If you have any questions, please call **President Darrell Grimes** at **1-800-282-4882**, extension 5629. 

## Court's Decision Right for the State, Medical Community

On March 15, 2010, the Georgia Supreme Court upheld an important provision of the tort reform legislation passed by the state's legislature in 2005. The decision upheld the law requiring a plaintiff to prove gross negligence by clear and convincing evidence in order to prevail in a lawsuit against a physician performing medical services in an Emergency Room or Department.

President and COO, **Darrell Grimes** lauded the decision as a victory for physicians and patients in Georgia. "We are pleased for the physicians and citizens of Georgia. The opinion acknowledges the impact tort reform has had in preserving the availability and affordability of quality health care services. The ruling ensures that Georgia's patients will have a sufficient number of doctors staffing the state's emergency rooms."

In response to the action by the Court, **Dr. Roy Vandiver**, Chairman of the Board, announced a premium rate reduction. "As a result of this decision, MAG Mutual intends to reduce its medical liability insurance rates for the state's Emergency Room physicians."

For more information on the premium rate reduction, please call **Chip Goen** at

**1-800-294-1735**. 

# THE MAGNET™

GEORGIA'S SOURCE FOR IMPORTANT PHYSICIAN INFORMATION

3525 Piedmont Road NE, Building 8-600 | Atlanta, Georgia 30305-1556 | 1-800-282-4882



VOL. 28 NO. 1 - 2010

www.MAGMutual.com

## Risk Management & Patient Safety Dept. Tips

### Hepatitis C Outbreak Traced to Injection Practices

In the January 2010 issue of Outpatient Surgery Magazine it was reported that as many as 63,000 patients may have been exposed to Hepatitis C in Nevada due to unsafe injection practices by anesthesia personnel. Nine infections were linked to two endoscopy centers in Southern Nevada, with another 106 possibly linked<sup>(1)</sup>.

Officials from the Southern Nevada Health District and the CDC released a 261-page final report revealing that some staff had been reusing syringes to access vials, and the same (multi-dose) vials were used on multiple patients. They ruled out endoscopes and bite blocks as potential sources of infection<sup>(2)</sup>.

This significant outcome prompts all who direct services at healthcare facilities to re-examine and enforce infection control practices on an ongoing basis. At a minimum, written policies and procedures should address:

- **Multi-dose Vials.** A process for the use of multi-use vials to minimize cross-contamination. Include a clear policy to access, utilize and discard them.
- **Syringes and Needles.** Syringes and needles are single-use only.
- **Laryngeal Airways.** There are specific guidelines for the disposal of the multi-use laryngeal airways. Make sure the staff responsible for sterilization is monitoring usage and discarding these per manufacture and facility policies.
- **Medication Storage.** Review medication storage and handling, including documentation of expiration dates.
- **IV starts/administration.** Conduct periodic reviews of processes and techniques for starting and managing intravenous access.

(Continued on page 2)

## Legal Brief

### What Does "HITECH" Mean for Us?

There has been a lot of conversation recently about the pending—but ultimately inevitable—changes to the Health Insurance Portability and Accountability Act (HIPAA). In particular, the business associates of physicians want to know the potential implications this new branch of HIPAA may have on them.

Let's start by clarifying what it is. The HITECH Act, which stands for Health Information Technology for Economic and Clinical Health Act, is the economic stimulus bill which will make businesses, as opposed to just physicians and other healthcare providers, directly responsible for HIPAA requirements. As a result, businesses will be susceptible to enforcement actions and similar penalties – just like healthcare providers.

Some of the new rules from HITECH include but are not limited to reporting the breach of private health information (PHI) to the covered entity and if the breach affects more

(Continued on page 2)

## J. Daniel Hanks, Jr., MD - Honored for Service

The Georgia Senate recently adopted a resolution recognizing and commending Dr. Dan Hanks of Rome, Georgia for his "dedicated leadership and cooperative spirit" in service to the state. Hanks served for 11 years on the Georgia Board for Physician Workforce, and "helped to guide the board as it developed meaningful and effective programs designed to build Georgia's primary care and specialist physician workforce," the resolution states.

Dr. Hanks serves on MAG Mutual's Board of Directors and is a radiologist with the Rome Radiology Group. 



MAG MUTUAL®  
Because your patients come first.

INSURANCE • FINANCIAL SERVICES  
OFFICE SOLUTIONS • PRACTICE MANAGEMENT

## In Practice. In Life.

### Roth IRA Conversion— Opportunity for Higher Wage Earners

Beginning this year, anyone - regardless of income level, can convert a traditional IRA into a Roth IRA. For higher wage earners, this may be your best opportunity to move all or some of your retirement money to an IRA that will let you make retirement withdrawals not subject to federal income tax.

There are income tax consequences to making the conversion, so you should consult with a financial expert to find out if a conversion makes sense for you. Another plus for those who do elect to convert this year, is an option to defer and spread the taxes from the conversion over tax years 2011 and 2012.

If you are interested in learning more about your options, please call Mr. Carroll Curry, MAG Mutual Financial Services, LLC at **1-800-300-7983** or email him at [ccurry@magmutual.com](mailto:ccurry@magmutual.com). He will arrange a free consultation with one of our alliance partner retirement planning experts. You may also learn more about Roth IRA Conversion by visiting our website at [www.magmutual.com/roth](http://www.magmutual.com/roth).

### AMA Web Site Helps Physicians Volunteer in Haiti

The new AMA website easily coordinates the deployment of physicians wishing to volunteer with federal and private sector response organizations. Go to [www.MAGMutual.com](http://www.MAGMutual.com) and look for Policyholder News or go to [www.ama-assn.org/go/haiti-volunteer](http://www.ama-assn.org/go/haiti-volunteer) for more information.

*(Hep C Outbreak Traced to Injection Practices, continued from page 1)*

- **Sterilization Processes.** Review policies and procedures periodically, including required documentation. Know how to respond in the event of a sterilization “failure” to minimize potential exposure outcomes.
- **Staff Competency.** A written quiz that requires an understanding of the facility’s exposure policies is a good way to assess learning needs and to document staff competency.
- **Follow Infection Control Guidelines** published by specialty, the Association of Practitioners of Infection Control, the CDC, and manufacturers’ all have recommendations.

Our Risk Management & Patient Safety department addresses many of these issues through our online resource: Education for Patient Safety-Learning Modules for Medical Office Staff. Each module contains valuable information and ends with a quiz; which upon completion, can be scored and reviewed. Go to [www.MAGMutual.com/Risk Management](http://www.MAGMutual.com/RiskManagement) and click on Education.

(1) [outpatientsurgery.net](http://outpatientsurgery.net); Outpatient Surgery Magazine, January 2010  
 (2) <http://www.southernnevadahealthdistrict.org>; Outbreak of Hepatitis C at Outpatient Surgical Centers, Public Health Investigation Report, December 2009, Southern Nevada Health District, Outbreak Investigation team, Las Vegas, NV.

### Risk Management Reminder:

**The medical record identifies the patient, supports the diagnosis, justifies the treatment and documents the results of treatment. We suggest that all entries in the medical record include the date and time of the exam or contact. This is for your protection.**

*(What Does “HITECH” Mean for Us?, continued from page 1)*

than 500 people it has to be reported to media outlets. Penalties for one violation range from \$100 to \$50,000 and these penalties may be shared with the harmed person; hence there is an incentive for persons to report violations.

The “minimum necessary” for providing PHI will be determined in August of this year, however, these new regulations may cause limitations on information that can be exchanged for the benefit of others.

If you would like to read more about the new regulations, effective dates and also receive contact information on this topic, please visit the American Medical Association’s website at: <http://www.ama-assn.org/ama1/pub/upload/mm/368/hipaa-guidance.pdf>

How Are We Doing? Answer 1 Question at [www.MAGMutual.com/rating](http://www.MAGMutual.com/rating)

**MAG MUTUAL**®  
Because your patients come first.

Stronger  
than ever

the MAGnet™

MAG Mutual Insurance Co.  
P.O. Box 52979  
Atlanta, GA 30355-0979

© 2010 MAG Mutual Insurance Company

PRE SORT STD  
U.S. POSTAGE  
**PAID**  
Atlanta, Ga.  
Permit No. 3329



THE MAGNET™  
GEORGIA'S SOURCE FOR IMPORTANT

3525 Piedmont Road NE, Building 8-600 | Atlanta, GA

## Tort Reform Update

### Georgia Supreme Court's Overturns the \$350,000 Cap

On March 22nd, the Georgia Supreme Court overturned a state law passed in early 2005 that placed a \$350,000 cap on noneconomic “pain and suffering” damages in medical liability lawsuits. MAG Mutual’s management and our physician-led Board of Directors are very disappointed with this decision. The facts are clear. Tort reform has worked in Georgia.

#### Increased access to patient care:

Since enactment, the legislation has resulted in more practicing physicians and increased access to quality patient care – which was the intent of the legislation. According to the Carl Vinson Institute of Government at the University of Georgia in Athens, 1,000 more physicians now practice in the state than prior to the law. The Medical Association of Georgia’s President, Gary C. Richter, M.D., also indicated that the law reinforced critical health care needs like obstetrical and general surgery services in the state.

#### Medical liability insurance costs are down:

MAG Mutual’s insured Georgia physicians have seen an average 18% reduction in the cost of their insurance and premiums have not increased since 2005. Our Board of Directors has also been able to authorize the return of \$16 million in dividends to Georgia’s policyholders in the past three years.

#### Claims activity decreased:

The frequency of medical liability claims also

*(Continued on inside flap)*