



THE MAGNET™

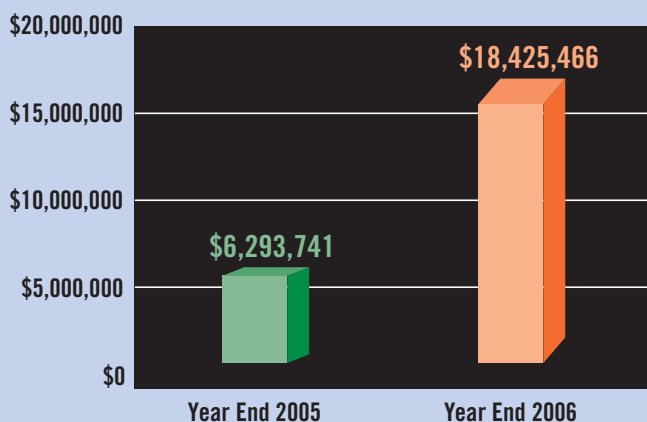
GEORGIA'S SOURCE FOR IMPO

By Physicians. For Physicians.

Georgia's Contingent Refund Grows

MAG Mutual Insurance Company pledged to return to its Georgia policyholders any excess medical professional liability insurance premiums collected from the date tort reform legislation became law (February 16, 2005) **to the date the \$350,000 cap on non-economic damages is upheld by Georgia's Supreme Court.**

This Contingent Return Fund is reviewed annually by an independent actuary to estimate any excess premiums each year. The estimate will change every year due to claims frequency and severity, among other things. The fund's current accrual percentage is 5.25 percent of each policyholder's premium.



As indicated by the graph above, the fund has grown significantly in the two years since the law passed. **When and if the \$350,000 cap is upheld, it appears MAG Mutual's policyholders should expect a considerable refund.●**

By Physicians. For Physicians.

Georgia Tort Reform Success Brings Insurers Back

Just as we predicted when Georgia's tort reform law was passed in early 2005, the state's physicians are now seeing competition return as more professional medical liability insurance companies reenter Georgia. While this is one of the benefits of the law's passage, physicians and practice managers should closely consider insurance options they are presented and ask questions of potential insurers that will help determine the best course of action.

Professional Liability Insurance Coverage Checkup

Below are some important factors to keep in mind if you consider other insurers who have moved back into the state. In the few next MAGnets, we'll add to the list.

1. Industry Financial Ratings: There are various ratings to review, but the A.M. Best Rating is one of the leading evaluations. Generally, your insurer should have an A.M. Best rating of A- or better. These ratings give you an expert's glance at the financial strength and outlook for the company.

MAG Mutual is currently rated A- (Excellent) by A.M. Best.

2. Endurance: How long has the company offered medical professional liability insurance? How long have they been in Georgia? How well do they understand the state's legal climate? How much do they fight to retain tort reform? Answers to these questions will give you insight into whether a company is in the state for the long haul, or may stop writing new business or leave when the market gets tough again.

MAG Mutual was founded by Georgia physicians in 1982 and is led by a physician Board of Directors. MAG Mutual supports many medical organizations and was the only Georgia medical liability insurance company that stepped forward to support the Tort Reform legislative process.

3. Rate Stability: What is the history of the company's rate increases or decreases? Have rates been well below competition and then been raised quickly? In addition to competitive rates, each practice should strive to find a stable, more predictable rate pattern that shows the company is pricing fairly and will be there when needed.

MAG Mutual has not raised rates since 2004.●

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GEORGIA'S SOURCE FOR IMPORTANT PHYSICIAN INFORMATION

Risk Management Tips

Detailed Policy to Correct Errors in Electronic Medical Records Essential

Despite all of the benefits that electronic health records (EHRs) offer, there remain opportunities for incorrect data entry due to problems with system design and/or user error. Errors caused by system problems (e.g., a confusing screen design, etc.) can be prevented by working with your vendor to reset user preferences as needed. In order to preserve data quality and protect patient safety, it is essential to set an office policy to funnel all errors to necessary staff and physicians in a timely manner.

Personal contact between the laboratory/diagnostic facility and the involved physician is always desirable, and should occur whenever an erroneous report must be corrected. Keep in mind that the report may be critical and time is of the essence. Most importantly, whenever an error in lab/diagnostic test reporting is made, it is essential for the laboratory/facility to retrace the handling of the specimens, films etc., and determine how erroneous results were released. The facility should then institute appropriate policy and procedure changes to prevent recurrence of such errors.

In summary, correcting errors in EHR systems should follow the same basic principles as correcting paper copies. These specific considerations apply:

- Work with your vendor to confirm that your EHR system allows error correction and whether or not the vendor has established a process.
- The system must have the ability to track corrections or changes once the original entry has been entered or authenticated.

(Continued on page 2)

Georgia Supreme Court Rules on Offer of Judgment Statute

On June 4, 2007, the Georgia Supreme Court ruled on the Offer of Judgment (Offer of Settlement) provision (OCGA § 9-11-68) of the 2005 Georgia Tort Reform Act. The law's intention was to encourage parties to settle their matters without inundating the courts with civil litigation. The law requires plaintiffs or defendants to pay the other side's attorney fees if a reasonable offer to settle had been made but was rejected and if the final judgment is one of no liability; or the final judgment obtained by the plaintiff is less than 75% of such offer of settlement.

Defendants for *Fowler Properties, Inc. et al. v. Dowland* attempted to apply the new law on a recent case. The facts in *Dowland* involved a woman who fell in an icy parking lot of a Waffle House while carrying several large items in 2002. She sued the property owners for her injuries and also rejected the owners' offer of \$20,000 to settle the case. At trial, the jury did not award the plaintiff any damages. As a result, the defendants, relying on this new law, filed a motion for the payment of its attorney's fees which the trial court denied.

Since this incident occurred almost three years prior to the effective date of the law (February 16, 2005), the Court ruled that OCGA § 9-11-68 is unconstitutional as it relates to cases that arose before the effective date of the statute. The Court found that this law impacts a substantive right of plaintiffs and thus can only be applied prospectively.●

MAG Mutual Insurance Agency's EPL HR Helpline presents:

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Free seminar. To register, call **1-800-294-1735**
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(Detailed Policy to Correct Errors in Electronic Medical Records Essential, continued from page 1)

- When correcting or making a change to an entry, the original entry should be viewable, the current date and time should be entered, the person making the change should be identified, and the reason should be noted.
- In situations where there is a hard copy printed from the electronic record, the hard copy must also be corrected.
- The process should permit the author of the error to identify, and time/date stamp, whether it is an error.
- The process should offer the ability to suppress viewing of the actual error but ensure that a flag exists to notify other users of the newly corrected error.
- The location of the error should also point to a correction. The correction may be in a different location from the error if there is narrative data entered, but there must be a mechanism to reflect the correction.
- Develop a practice policy to ensure that your facility corrects and reports errors in a consistent and timely manner.

Look for the unabridged version of this article in the upcoming issue of MAG Mutual's Healthcare Risk Manager or online at www.magmutual.com/risk•

*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.

Mark Your Calendar for MAG Mutual's Upcoming Risk Management CME Programs: *Reduce Medical Liability Exposure through Better Communication*

Tuesday, September 11, 6-9pm
Eagles Landing Country Club
Stockbridge, GA 30281

Thursday, September 20, 6-9pm
Century Center
Atlanta, GA 30345

Advanced registration is required. For more details and to register visit www.magmutual.com/seminars.
Contact Cheryl Winsett at **1-800-294-5384** with questions.

A.M. Best Ranks MAG Mutual Among Top 200 Property/Casualty Writers in the U.S.



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