



# THE MAGNET™



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NORTH CAROLINA'S SOURCE FOR IMPORTANT PHYSICIAN INFORMATION

## Risk Management & Patient Safety Dept. Tips


### “I’ve Received An Audit Letter, Now What?”

If Medicare or Medicaid sends you a “Dear Doctor” letter, requesting your office or hospital records on a number of patients, or requesting that your practice refund a prior payment, we recommend the following steps.

Call MAG Mutual at **1-800-282-4882** and ask for the Claims Department. Our professional liability insurance policy covers your compliance costs. We'll start a claims file, and through our practice management subsidiary, MAG Mutual Healthcare Solutions, Inc. (MMHSI), we will refer you to a qualified practice management/compliance consultant. If necessary, we will also assign an attorney experienced in defending physicians in audit situations.

Our consultant (and attorney) will help guide you in your response to the payer. These services are covered under your professional liability policy (subject to a \$1,000 deductible per claim; and with limits of \$20,000 for audit expense and \$30,000 for legal defense).

Our professional liability policy does not cover any repayment amount or any civil monetary penalty or fine which may be levied by Medicare/Medicaid as a result of any finding of non-compliance on your part. However, MAG Mutual Insurance Agency (MMIA), offers an optional policy, Physicians Regulatory Insurance Program (PRIP) that provides coverage and higher limits for both audit and legal defense costs (consultants and attorneys), and any monetary penalties or fines which could be levied against you.

For more information on the Physicians Regulatory Insurance Program, please call **Chip Goen**, VP, Sales, (MMIA), at **1-866-354-6089**. PRIP is available for purchase by all physicians, including those not currently insured by MAG Mutual Insurance Company for their professional liability. 

### FDA Alert: Steris System 1 Sterilizers Not Approved for Sterilization

The U.S. Food and Drug Administration (FDA) issued a safety alert on December 3, 2009, urging users of the Steris System 1 (SS1) to find alternative methods of sterilizing and disinfecting instruments and medical devices. The Alert states that “improperly disinfected or sterilized instruments may transmit pathogens to patients and healthcare staff, or expose them to hazardous chemicals.” The alert recommends that facilities should transition to an alternative method of sterilization and disinfection as soon as possible.

Steris disagrees with the safety alert and states that there has not been a documented infection directly caused by the SS1 “when certified health professionals have followed proper guidelines and instructions.” The Steris statement does not include these instructions, nor does it define “certified health professionals.” Their web site does offer study guides that include care and handling of flexible endoscopes, as well as a two day training seminar, with a “train the trainer” approach that can be scheduled at their training locations, but does not provide any other written guidelines as noted in their statement following the FDA alert.

This alert was issued as Steris significantly modified the SS1, however, the FDA has not determined that the modifications are safe or effective, and has indicated that there is a potential risk to patients if it is utilized as a method of sterilization.

**In summary:** The FDA determined that the numerous changes to the SS1 since its launch cause it to be a “violating device.” However, they also recommend that “If an acceptable alternative is not readily available, health care facilities should not cancel surgical procedures and may continue using SS1 while preparing a transition plan to be implemented in three to six months.”

For more, go to [www.MAGMutual.com](http://www.MAGMutual.com) or [www.FDA.com](http://www.FDA.com). 

## In Practice. In Life.

### Personal Insurance for You and Your Staff

Imagine having all your personal insurance - auto, home and personal umbrella—under one, easy to understand policy with a company you know and trust! **MAG Mutual Insurance Agency (MMIA)** provides tailored coverage that you just can't find anywhere else—through long-term relationships with financially stable national insurers. Have a claim or a question? Call MMIA and we do the rest!

Call **Donna Freeman** for a fast, no-obligation review of your current personal insurance at **1-800-295-5120**.

## Got A "Great" Story? We Want To Hear It!

We love to hear about our insureds' involvement in our communities, so if you have a story to tell, we'd love to hear it! You could be featured in an upcoming MAG Mutual publication. Do you know of physicians who volunteer their time and expertise regularly to better our community?

Drop a quick email with a brief write up of their story, along with the physician(s) name, contact information, and a photo of them in action (if possible) to: **Rosalyn Barnes**, [rbarnes@magmutual.com](mailto:rbarnes@magmutual.com) or call her at **1-800-282-4882**.



## Declaration Page, is it 'just Greek' To You?

Sometimes your medical liability policy may be difficult to understand. So, we've broken down the Declaration (Dec.) Page and would like to explain what everything means. For the remainder of the Dec Page, go to [www.magmutual.com](http://www.magmutual.com), on the left-hand side select **MAG Mutual Newsletters, MAGnet Vol. 27, No. 6**. Click [here](#) for full Dec. Page.

**2. Policy Number:** Your policy number is made up of 3 parts:

- 1) A prefix (PSL, or EPL, etc.),
- 2) The 7-digit policy number and
- 3) The (Mod Number). Be sure to include on all Correspondence to MAG Mutual.

**1. Claims- Made Policy: Claims Made** means that a claim is made on the date you first report an incident or injury to us. A claim must meet two requirements to be covered under this policy:

- a. It must result from a covered activity provided or withheld on or after your retroactive date and;
- b. It must be reported to us by a covered person or organization for the first time during the policy period.

**4. Transaction:** The type of transaction processed.

**New Business** – Issued for a new policy.

**Renewal Declaration** – Policy renewal.

**Amended Declaration** – Physician has either added, changed or deleted information from the policy.

**Supplemental Declaration** – Lists the physicians who have been added cancelled or deleted from your policy.

<p><b>MAG MUTUAL</b> MAG MUTUAL INSURANCE COMPANY</p> <p>P.O. Box 52979 Atlanta, GA 30355-0979 404-842-5600   800-282-4882</p>		<p><b>1 Physicians and Surgeons Professional Liability Claims-Made Policy</b></p> <table border="1"> <thead> <tr> <th>Policy Number</th> <th>From</th> <th>Policy Period</th> <th>To</th> </tr> </thead> <tbody> <tr> <td>#####</td> <td><b>3</b> #####</td> <td>Time goes here</td> <td>#####</td> </tr> </tbody> </table>		Policy Number	From	Policy Period	To	#####	<b>3</b> #####	Time goes here	#####
Policy Number	From	Policy Period	To								
#####	<b>3</b> #####	Time goes here	#####								
<p><b>4 Transaction</b></p> <p>TEXT GOES HERE</p>											
<p><b>5 Policy Issued To</b></p> <p>Text Goes Here ### Address street City, State #####</p>											

**5. Policy Issued To:** The name and address to whom the policy was issued (an individual or group practice name). This address is where all policy correspondence from MAG Mutual will be sent.

**3. Policy Period:** The period of time the policy provides coverage for you.

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

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