

THE MAGNET™



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NORTH CAROLINA'S SOURCE FOR IMPORTANT PHYSICIAN INFORMATION

Risk Management Tips

Closing Your Medical Practice—Some Professional Liability Tips

The following recommendations apply to closing a practice, whatever the reason, with the exception of selling or transferring the practice to another physician.

Before you “close the doors,” assure continuity of care for your patients and protect yourself by taking the following steps:

NOTIFY each patient, and legal representative, of your decision in writing. Registered mail (return receipt requested) is advisable in the case of high-risk patients, those undergoing aggressive treatment or those on your follow-up schedule. Place a copy of your written notice in each patient's medical record. Also, notify all health plans where you are a panel member.

INCLUDE a medical record release authorization form (for requesting copies and transferring records to another physician), the length of time (in years) that the records will be retained, and a permanent mailing address or post office box number for all future record requests. Note: You must arrange for someone to maintain the address and respond to requests for records, for the time periods mentioned below.

ARRANGE SAFE STORAGE for your medical records. When records are lost or destroyed, the ability to successfully defend against malpractice claims may be seriously impaired. Unless state law requires that records be maintained longer, MAG Mutual recommends

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Coumadin Therapy and Reimbursement

Coumadin (Warfarin sodium) is reportedly the most frequently prescribed oral anticoagulant and the fourth most prescribed cardiovascular agent in the United States. Safe, effective anticoagulant therapy requires strict adherence to safety-based rationales and guidelines, which we published in MAG Mutual's Healthcare Risk Manager (4th Quarter, 2003). It is also available at www.magmutual.com/mmhc/articles/2003_Q4.pdf.

It is also important that physicians secure proper reimbursement for patient encounters involving a Protime test. Our practice management consultants at MAG Mutual Healthcare Solutions, Inc. have reviewed the proper steps to be taken for the practice to document and bill the patient visit as a CPT code 99211 encounter. At the very least, Coumadin therapy should be budget-neutral. Physicians should not avoid Coumadin treatment for fear of insufficient reimbursement.

For more information on practice management and reimbursement, or to see the complete article, visit us at www.magmutual.com/risk. Or call Georgette Samaritan, Senior Risk Management Consultant, at **404-842-5686** or **1-800-282-4882**.

Henry Alexander Easley III, M.D. Appointed to Board of Directors' Claims Committee

We are pleased to announce that Henry Alexander (Sandy) Easley III, M.D. recently became a member of MAG Mutual Insurance Company's Board of Directors' Claims Committee. Dr. Easley is a practicing OB/GYN in Washington, NC.

He received his undergraduate degree in Industrial Engineering from North Carolina State University, a law degree from the University of North Carolina School of Law and his medical degree from the University of North Carolina School of Medicine. Dr. Easley completed his residency at Duke University Medical Center.



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maintaining them 10 years from the date of the last visit.

The records of minors should be maintained until the patient reaches the age of 27. Purchasing the services of a document management company is an expense that must be weighed against the risk of liability for spoliation of evidence.

Contact MAG Mutual to assure that your medical professional liability insurance protection will continue for those patients treated during your years of practice. If you have further questions or wish to clarify any of the above issues, call MAG Mutual Risk Management at **1-800-282-4882**. ●

(Henry Alexander Easley III, M.D. Appointed to Board of Directors' Claims Committee, continued from page 1)

Dr. Easley is a member of the North Carolina Medical Society, the North Carolina Obstetrical and Gynecological Society, the American College of Legal Medicine and the North Carolina State Bar.

We welcome Dr. Easley to his new role in MAG Mutual's leadership. ●

Online Bill Paying: Be Sure to Change Your Policy Number Each Year

An increasing number of MAG Mutual policyholders are paying their bills online with their own banks or using a service to pay their bills. When using these services to pay their mortgage or charge card bills, your account number remains the same, year-after-year. With **MAG Mutual policies and payments, the last two digits of the nine-digit policy number change every year** (or more frequently if there is a cancellation) **to reflect the new policy period.**

To be sure your premium payments are credited to the correct account quickly, please update your new nine-digit policy number with your vendor bill payor **every year**. If possible, please **verify the new number on the check that is sent**. If the old policy number is shown, the check may be applied to the wrong policy period, resulting in a cancelled policy.

If you have any questions, please call our Policyholder Service Center at **404-842-5600 or 1-800-282-4882**. ●

In Practice. In Life

Unintentional Regulatory Violation Could Bankrupt Your Practice

Since the early 1990s, the Federal Government has made fighting fraud and abuse in the healthcare industry one of its top priorities. Escalating enforcement activities have physicians legitimately concerned that a single, unintentional violation of one of the many regulations could bankrupt their practice.

MAG Mutual Insurance Agency, LLC can help protect your practice from these regulatory challenges:

- Medicare/Medicaid Audits – billing fraud
- HIPAA Compliance – improper disclosure/use of patient information
- Commercial Payor Audits - billing fraud
- EMTALA violations – non-compliance with laws/regulations
- STARK violations – self-referrals and anti-kickback laws

Because enforcement activities have escalated, insurance products have become available to cover fines and penalties and provide for defense and audit costs. If you would like more information about insurance protection from unintentional regulatory violations, please call Chip Goen toll free at **1-866-354-6089**.

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