



# THE MAGNET™



JANUARY 2006  
www.magmutual.com

GEORGIA'S SOURCE FOR IMPORTANT PHYSICIAN INFORMATION

## Risk Management Tips

### *Prescription Refills: Reducing the Risk of Error*

Every practice needs a system and written protocols to be certain the process of refilling prescriptions is safe and accurate. Risk Management suggestions for managing the refill process include:

- Obtain the patient's medical record prior to calling in refills.
- Document the patient's phone call requesting the refill(s), along with the refill information, in the patient's medical record.
- Require the nurse to obtain a written or verbal order from the physician prior to each prescription refill. *Note: The nurse who calls in prescriptions /refills without a physician's order is viewed as practicing medicine without a license*
- Develop a written protocol/policy for prescription refills.

### **The written prescription refill protocol should:**

- Specify which individuals can call in refills, i.e. the physician, physician extender per protocol or a licensed nurse who has a written list of drugs he/she can authorize.
- Specify in the patient's record the number of times the prescription may be refilled before he/she must be seen by the physician.
- Document the order as "Per Protocol Dr. Doe/nurse's name and professional designation, i.e. RN or LPN."

*(Continued on page 2)*

## Government Hires Independent Companies to Combat Medicare/Medicaid Fraud and Abuse

Over the past few years, the Center for Medicare and Medicaid Services (CMS) granted contracts to several companies to assist in uncovering fraud, abuse, inefficiency and waste in federal healthcare programs. The success of these companies has led CMS to approve additional projects for recovery efforts by "outside" contractors. By providing a financial incentive to these companies for exposing fraud and abuse, healthcare providers likely face greater scrutiny in upcoming years.

The Department of Justice recovered \$1.1 billion in fraud and false claims in fiscal year 2005. Now that private companies have a financial incentive to uncover fraud and abuse, providers should be even more diligent about compliance. An official with the Department of Justice stated that "Any healthcare entity which does not have a compliance plan is institutionally nuts." Few providers, however, have a compliance plan in place to help protect the practice from allegations of fraud and abuse.

Unlike HIPAA, a fraud and abuse compliance program is a voluntary endeavor, which can be expensive. Like preventative medicine, a voluntary compliance program can be expensive. However, compared to the loss potential from fraud and abuse prosecution, the investment is pennies in comparison to the interest, fines and penalties routinely levied today.

If you would like assistance setting up a voluntary compliance program, please contact David Miller toll free at **1-888-624-6474**.

Additionally, new insurance products have become available to cover fines and penalties and provide for defense and audit costs for unintentional violations.

If you would like more information about these new insurance products, please call Chip Goen toll free at **1-866-354-6089**.

*(Prescription Refills: Reducing the Risk of Error, continued from page 1)*

- Require the ordering physician be provided the medical record(s) for review and to sign the order(s).

Allergies/sensitivities should be noted prominently in the medical record. It is recommended that a medication record form, with all medications listed, be used to improve the accuracy and efficiency of cataloguing and retrieving prescription and allergy information. The medication record should be updated at each patient visit.

Medication errors are a major risk in healthcare. Establishing a system and good practice protocols is key to managing the risk of prescription refill errors, protecting both the patient and the practice.

For a sample Medication Record Form please go to [www.magmutual.com](http://www.magmutual.com), Risk Management page and Sample Forms Section.

## Tort Reform Update

Under Georgia's new Tort Reform Act (SB 3), a person who files a medical malpractice action must also, at the same time, file a written authorization for the release of any medical information that is not privileged information, e.g., psychiatric records. The new law also allows a defendant's attorney to talk to physicians who are not defendants, but who also treated the plaintiff. This was the law in Georgia prior to the implementation of the Privacy Regulations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

Since this law became effective on February 16, 2005, there have been several court challenges. Various trial court judges have ruled that the law either preempts HIPAA and/or is unconstitutional. The Georgia Court of Appeals has agreed to consider the preemption issue. As of the date of this article, the Court had not scheduled oral arguments on this issue.

We will keep you advised of the Court's decision in a future MAGnet. If you have any questions about this new law, please call our Claims Department at **1-800-282-4882**.

## REMINDER

If you would like us to receive your mail – including payments – faster, please use our post office box when addressing the envelope:

MAG Mutual Insurance Company  
P.O. Box 52979  
Atlanta, GA 30355

## 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**.

2006 Winter Publication Catalog available now - Visit [www.coderscentral.com](http://www.coderscentral.com)



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

the **MAGnet**™

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

© 2005 MAG Mutual Insurance Company

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