



## NORTH CAROLINA'S SOURCE FOR IMPORTANT PHYSICIAN INFORMATION

### Premium Payment Plan Changes in North Carolina

Effective with policies renewing July 1, 2004 and beyond, we've made some changes to our premium payment plan options. For policyholders currently using a semi-annual, quarterly or six-payment installment plan, a **payment plan service charge of 3.5% of each installment amount** replaces the current charge of \$5.00 per installment.

Your payment plan invoice will automatically reflect this change.

Two payment plan options remain available that *will not* incur a service charge:

- **Single annual payment**, due at your renewal date
- **3-payment plan**, with an initial payment due at your renewal date and the remaining two payments due at 45-day intervals thereafter

In response to many requests for a longer-term installment plan, a new 10-payment plan is now available. The new 3.5% service charge on each installment amount will apply.

Here's a list of our available premium payment options:

- **Annual Payment** – one payment due annually on effective date of policy. No payplan charge applies
- **2 payments** – 50% is due on effective date of policy. 2nd installment is billed and due six months thereafter. A 3.5% payplan charge applies to the 2nd installment amount
- **3 payments** – 34% is due on effective date of policy. The remaining 2 installments are billed and due every 45 days thereafter. No payplan charge applies
- **4 payments** – 25% is due on effective date of policy. The remaining 3 installments are billed and due every 90 days thereafter. A 3.5% payplan charge applies to each installment amount for payments 2, 3 and 4
- **6 payments** – 20% is due on effective date of policy. The remaining 5 installments are billed and due every 45 days thereafter. A 3.5% payplan charge applies to each installment amount for payments 2, 3, 4, 5 and 6
- **10 payments** – 20% is due on effective date of policy. The remaining 9 installments are billed and due every 30 days thereafter. A 3.5% payplan charge applies to each installment amount for payments 2, 3, 4, 5, 6, 7, 8, 9 and 10

If you want to make a change, have any questions or need more information, please call the Underwriting Department at 800-282-4882. ●

### Risk Management Tips

#### *When the Physician is a "No-Show"*

Patients aren't the only "no-shows" who disrupt a practice's business. At times, physicians find it necessary to "bump" or cancel patient appointments to attend other functions and/or take leisure time. However, if uncontrolled, the physician's behavior is hazardous to the practice and to the patient.

One practice reported so many canceled appointments that it took almost 40 hours a week in combined staff time just to manage all the tasks involved in contacting patients to reschedule. The administrator calculated the cost of physician-canceled appointments for non-emergency reasons to be almost \$30,000 a year. Unfortunately, administrative costs aren't the only loss. During one physician's multiple absences, a patient suffered a delay in diagnosis and treatment, resulting in her permanent disability.

#### **Establish a written policy**

Each practice should establish a "bumped" appointment policy. **Patient appointments should not be rescheduled or canceled unless absolutely necessary.** Unless it is an emergency, the appointment should not be changed less than two weeks before the originally scheduled time. Reschedule these patients as soon as possible with every effort made to accommodate *their* schedules. Evaluate the status of each patient whose appointment is being canceled. If the patient is in the process of a medical work-up, scheduled for surgery or medically unstable, work out an alternate physician assignment (with the patient's approval) to avoid a missed/delayed diagnosis or treatment. Remember to check that the alternative physician is on the patient's insurance plan.

Having their appointments bumped is one of the biggest causes of patient dissatisfaction. It is also another opportunity for patients' evaluation, care and timely treatment to fall through the cracks

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unless the practice has built a solid system for monitoring and controlling this process.

For more information or to request a sample “bumped appointment” policy, call Cheryl Winsett at 800-282-4882 ext. 5681. ●

## Two-Week Delay in Payment of Non-HIPAA Compliant Medicare Claims

Beginning July 1, 2004, the Center for Medicare & Medicaid Services (CMS) will delay by two weeks payment of claims submitted in formats that do not comply with the HIPAA electronic transaction standards that went into effect October 16, 2003. Medicare will continue to pay HIPAA-compliant claims as early as 14 days after filing, but non-compliant claims **will be paid no sooner than 28 days after filing**. Paper claims and electronic claims that are not in the required format will be considered non-compliant.

To ensure timely payment of their bills, physicians should ask their billing vendors (e.g., third party billing services and software vendors) to certify that they produce HIPAA-compliant claims. For more information on the HIPAA electronic transaction standards, contact James Lyle of MAG Mutual Healthcare Solutions, Inc. (MMHSI) at **888-624-6474**. For information on our physician billing service, please contact David Miller of MMHSI at **888-624-6474**. ●

## Did You Know?

*You can receive a FREE financial and asset protection analysis and plan from the experts at MAG Mutual Financial Services, Inc. Plus, you can receive preferred rates for the legal advice and documentation required to implement your plan.*

It's never too early or too late to be certain your estate and asset protection plans are everything you need them to be. MMFSI will help ensure you're doing all you can do to protect and preserve the assets you work so hard to build.

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*MAG Mutual does not presume to establish any standard of care or establish rules for the practice of medicine. Material in this newsletter does not constitute legal advice.*

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



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