



## GEORGIA'S SOURCE FOR IMPORTANT PHYSICIAN INFORMATION

### HIPAA Good News/Bad News

As everyone is aware, the October 16 deadline for compliance with the "Transactions and Code Sets" portion of the HIPAA law has come and gone. Many medical practices, hospitals, insurers and billing services are still not compliant. What can be done?

*First, the bad news:* The regulations regarding Transactions and Code Sets went into effect on schedule. If you are not yet compliant, contact your software vendor immediately and begin making arrangements to comply with the HIPAA regulations as soon as possible.

*Now, the good news:* Medicare announced a plan to accept HIPAA non-compliant electronic transactions after the October 16 compliance deadline. According to the Centers for Medicare & Medicaid Services (CMS), this plan will ensure continued processing of claims from thousands of providers who will not be able to meet the deadline and otherwise would have their Medicare claims rejected.

In a September 23 press release, CMS Administrator Tom Scully stated, "Implementing this contingency plan moves us toward the dual goals of achieving HIPAA compliance while not

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### CME Is Big Business in Georgia

Medical schools, specialty societies and hospitals collaborate to give physicians the continuing medical education needed to stay current and acquire new knowledge. In Georgia, more than 50 CME providers are accredited to offer Category 1 CME. Last year, just those organizations accredited for CME by the Medical Association of Georgia—this doesn't count the state's four medical schools, for instance—put on nearly 2,000 meetings and conferences, offering a combined 6,000 hours of Category 1 credit. Georgia's physicians attended these, earning more than 53,000 credits. At a conservative value of \$20 per credit hour, this amounted to \$1,060,000 worth of education provided to Georgia physicians.

At the very least, Category 1 CME helps you meet your licensure requirement (40 hours every two years). It also helps reduce your chances of a professional liability suit, which is why MAG Mutual Insurance Company is proud to be accredited for Category 1 CME activities.

A recent example is our seminar "Repairing the System: A New Look at Tracking Diagnostic Results." Developed by our risk management department, this seminar addresses the need of office practices to make sure test results and diagnostic data don't "fall through the cracks." Such unhappy occurrences lead to far too many lawsuits against physicians.

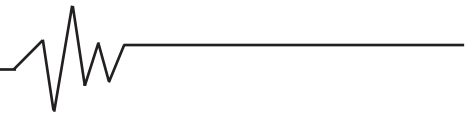
We're trying to get our message out to medical groups across the state. To schedule this presentation at your next meeting, please contact Steve Davis: 404-842-5690 or [sdavis@magmutual.com](mailto:sdavis@magmutual.com). Category 1 CME credit is authorized for physician attendees! ●

### Risk Management Tips

*May healthcare providers leave messages at patients' homes or mail reminders to their homes?*

Yes. The HIPAA Privacy Rule permits healthcare providers to communicate with patients regarding their healthcare. This includes communication with patients at their homes, whether through the mail, by phone or in some other manner.

In addition, the Rule does not prohibit covered entities from leaving messages for patients on their answering machines. However, to reasonably safeguard the individual's privacy, covered entities should take care to limit the amount of information disclosed on the answering machine. For example, a covered entity might want to consider leaving only its name and number and other information necessary to confirm an appointment and ask the individual to call back. The Department of Health and Human Services answers this question and other FAQ at <http://answers.hhs.gov>.



## Double-Digit Healthcare Cost Increases for Employers

Rising healthcare insurance premiums have employers asking why they are paying more, year after year, for the same or reduced benefits packages. They are also asking when rising premium costs—that increased 13.9 percent nationally in 2003—will slow.

Major national employee benefit firms perceive that within the current marketplace, employers have little confidence in their ability to manage rising costs, improve healthcare quality and even to provide these benefits.

However, employers are beginning to address the growing challenges by shifting some of the cost to their employees and implementing coverage restrictions. In fact, health insurers and employee benefit consultants predict that workers should plan on paying more for their coverage through higher premium contributions, deductibles and co-payments for medical services.

Because some of the financial pain will once again be passed on to their employees, some employers are providing a variety of health plan options to meet employees' individual and family medical needs while maximizing the use of company funds. Consider the following options for maximizing plan design:

- Increase choices of coverage
- Introduce defined contribution features to plan design
- Reevaluate pharmacy benefits
- Introduce wellness management
- Improve communication with employees •

*(HIPAA Good...News, continued from page 1)*

disrupting providers' cash flow and operations, so that beneficiaries can continue to get the healthcare services they need."

The contingency plan permits CMS to continue to accept and process claims in the electronic formats now in use, giving providers additional time to complete the testing process. CMS will regularly reassess the readiness of its trading partners to determine how long the contingency plan will remain in effect. Additionally, covered entities that make a good-faith effort to comply with HIPAA transactions and code set standards may implement contingencies to maintain operations and cash flow.

For more information on HIPAA rules and regulations, please call MAG Mutual Healthcare Solutions' James Lyle at 678-226-0074 or toll free at 888-624-6474. •

## Are Your Group Health Insurance Rates Going Up?

*We may be able to save you time and money...*

MAG Mutual Financial Services, Inc. (MMFSI) has a unique understanding of the challenges you face in trying to provide cost-effective health insurance for your staff and yourself. We offer:

- No-cost review of your health insurance program
- Increased choices of coverage
- Defined contribution features to plan design
- Pharmacy benefits
- Wellness management

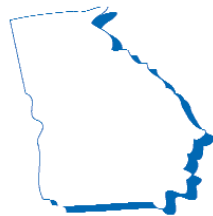
For assistance with your employee benefit plans and group health insurance, please call Ron Lundy at 404-842-5567, 800-282-4882, ext. 5567 or visit us online at [www.magmutual.com](http://www.magmutual.com).

**MAG Mutual Insurance Company rated A- Excellent by A.M. Best**

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



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