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Employee Embezzlement Costs Your Practice Money

Starting this month and continuing through the next two issues, we'll discuss employee dishonesty and provide you with possible solutions to the problem.

It usually starts small. An employee "borrows" money with the intention of paying it back. But then it grows. It's easy to keep "borrowing" because no one knows, and no one is keeping tabs on your practice's accounts. Or to make matters worse, your trusted, dependable bookkeeper and friend of six years has been repeatedly embezzling funds.

Embezzlement takes many forms. Among the most common in a physician's office involves stealing co-pays. These cash payments of \$10, \$15 and \$20 are sometimes hard to resist for a dishonest employee. And if that employee doesn't process the insurance claim associated with the co-pay, the practice can lose even larger sums. Prevention is your best defense. Here are several things you can do to protect yourself:

- Segregate employees' duties – the employee who receives the funds should not be the one disbursing the money
- Conduct thorough background checks for all employees who have access to your practice's funds and assets
- Pay attention to employees who are living beyond their means or experiencing unusual financial problems – the Association of Certified Fraud Examiners says the average fraud scheme lasts 18 months before it is detected

Fraud and embezzlement grow larger every year. Be proactive and stay involved with your practice and the record-keeping process. For more information, please call Chip Goen at 800-294-1735. ●

Risk Management Tips

"If Only I Had Known!"

"If I had only known...I wouldn't have had this surgery." Time and time again physicians have left themselves open to this allegation due to a weak informed consent process. Today's present liability environment mandates physicians take informed consent activities to the next level in order to reduce the potential of both an informed consent claim as well as a negligence claim.

During a recent deposition, an orthopedic surgeon made the plaintiff squirm as he detailed his informed consent process. The surgeon explained that he uses procedure-specific consent forms. Each material risk specific to that procedure is outlined on the form, and the patient is required to initial each one. In addition, a witness asks the patient three questions before the patient leaves the office. These questions are also on the form with check boxes.

1. Have you read the form?
2. Do you understand the form?
3. Do you have any questions?

Only when the patient appropriately answers these three questions, does the witness sign the form and conclude the process. The patient is provided a copy before leaving the office along with the other educational materials the surgeon referenced on the form. In addition to written materials, some physicians augment the educational process by using videotapes or interactive web-based

(continued on page 2)

90-Day Grace Period Eliminated for ICD-9 and HCPCS Codes

Effective October 1, 2004, CMS requires 2005 ICD-9 codes on all claims. The 90-day grace period has been eliminated.

Effective January 1, 2005, Medicare providers will no longer have a 90-day grace period to use discontinued Common Procedure Coding System (HCPCS) codes for services rendered in the first 90 days of the year. **HCPCS codes must be valid at the time the service is rendered.**

Medicare Carriers, Durable Medical Equipment Regional Carriers (DMERCs) and Fiscal Intermediaries (FIs) will no longer accept discontinued HCPCS codes for dates of service January 1 through March 31, 2005, that are submitted prior to April 1. **Your claims will be returned and not paid.**

Order your 2005 ICD-9-CM and 2005 HCPCS Professional code books and many other medical resource reference guides online today at www.magmutual.com/books. ●



Online CME: Saves Physicians Time & Money

Attending medical conferences used to be the only way physicians could earn needed Continuing Medical Education (CME) credits. It was time consuming and expensive. Today, because of high-speed Internet connections and 24/7 availability, online CME is becoming the physician's preferred method of getting needed credits.

MAG Mutual provides opportunities for its physician policyholders to earn CME credits through completion of education programs offered both electronically and by attending designated "live" programs such as "Repairing the System: A New Look at Tracking Diagnostic Results".

Access the following CME programs online at www.magmutual.com/CME.

- Coumadin/Warfarin Sodium: Safety-based rationales and guidelines (0.5 Credit)
- What Plaintiffs' Attorneys Hope to Find in Your Medical Records (0.5 Credit)
- Women & Heart Disease: CAD Until Proven Otherwise (0.5 Credit)
- Making a Timely Diagnosis of Lung Cancer (0.5 Credit)

You can also receive online CME credits at the following external web sites:

- **Free CME programs** Free online CME programs, listed by specialty and topic. Tests are graded online.
- **Medical Risk Management, Inc.** Online CME tests, workbooks and workshops
- **Thomson American Health Consultants** Over 1500 online CME credit hours available
- **Annotated List of Online Continuing Medical Education (CME)** List of CME websites sorted by name, specialty or topic.

For more information on obtaining online CME credits or our other CME programs, please contact Cheryl Winsett at 800-282-4882 ext. 5681. •

(Risk Management Tips, continued from page 1)

programs. As appropriate, important family members are included in the process.

It is time for us to turn informed consent into a patient-focused educational process in which we ensure the risks are clear and ask the patient to accept responsibility for those risks. When patients' expectations are more in line with reality, the circumstances that often lead to a trip to a lawyer's office are less likely to occur.

If you have any questions or need more information, please call Cheryl Winsett at 800-282-4882, ext. 5681. •

Disability Income Coverage Cap for Physicians Raised

For the first time in 16 years, disability insurers have begun to raise the cap on the amount of monthly income protection a physician can purchase. While physicians still cannot purchase as much coverage as those in other occupations, **the previous monthly benefit cap of \$10,000 has been raised from 25-50% per month**—depending on your current annual income. This benefit is payable under the terms of the policy as issued in the event you can no longer work due to an illness or injury.

MAG Mutual Financial Services, Inc., is working with some of the nation's top disability insurance carriers to provide you the ability to protect more of your income, with special 20-30 percent discounts for MAG Mutual policyholders. If you are interested in increasing your income protection, now is the time. Please call Ron Lundy at 800-282-4882, ext. 5567.

Need to file a claim? Call our Orlando Office at 800-783-8455.

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