



## NORTH CAROLINA'S SOURCE FOR IMPORTANT PHYSICIAN INFORMATION

### Embezzlement Costs Your Practice Money

*This is the second of three articles about employee dishonesty.*

Employee fraud and embezzlement occur in physician practices every year. One practice recently terminated its bookkeeper for concealing and lying about her failure to reconcile their books. After she was terminated, an accountant determined that the bookkeeper had also been taking the cash receipts from the day's deposits for almost a year—the total was approximately \$40,000. The practice terminated the employee and filed a police report. Their MAG Mutual Business Owners' policy covered the majority of the loss.

Another practice received a call informing them that one of the physician's employees was cashing large quantities of insurance claim checks made out to the practice. The employee was fired for theft and forgery and a formal police report was made against the employee and charges filed. Once again, their MAG Mutual Business Owners' policy covered most of the loss.

If you suspect that an employee is embezzling, you should try to:

- Determine whether there was an actual theft
- Determine the amount and method of the theft
- Consult an attorney for legal advice on dealing with the employee during and after any investigation
- Recover the lost money or property

You must be active in all parts of your business to protect yourself.

For more information, please call Chip Goen at 800-294-1735. •

### 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.**

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### 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 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. •

(90-Day...Codes, continued from page 1)

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](http://www.magmutual.com/books). •

## Did you know?

MAG Mutual's tax and accounting specialists have more than 50 years of combined experience preparing tax returns and performing accounting services in the medical field? Physicians and their practices are our only clients.

Trained in the business of medicine as well as tax law and accounting, MAG Mutual Healthcare Solutions (MMHSI) consultants can help you maximize collections, find opportunities to improve profitability and increase your practice's efficiency.

*Here's just some of the help we can provide:*

- General accounting services
- Monthly on-site visits to review and prepare financial statements
- Personal and business tax planning
- Updates on tax laws, preparing returns, tax planning, etc.
- Practice valuations for admissions or withdrawals of active physicians

Call on the experienced tax and accounting experts from the company you own and trust. Contact David Huff toll-free at 888-624-6474.

## 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](http://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. •

**Need to file a claim? Call our Raleigh Office at 866-798-5281.**

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