

Philadelphia Medicine



Volume 99, No. 1

January 2003

What to do if you decide to discontinue practice due to inadequate insurance coverage



Ken Jones
PMS
Legal Counsel

If you lack the resources to obtain basic primary coverage and/or pay the Mcare assessment, you should be aware of what you need to do to avoid licensure and other problems should you decide to discontinue practice.

The following is a summary of the Pennsylvania Medical Society's understanding of the relevant law and the policies and procedures of the Mcare Fund and the Medical and Osteopathic Licensure Boards, which together enforce the mandated basic coverage / Mcare assessment requirements. This has not been sanctioned by either the Mcare Fund or the Licensure Boards.

- Notify Mcare Fund and Licensure Board of "retirement."
- Ask Board to be placed on "active retired status."
- Provide patients with adequate notice of plans to discontinue practice.
- Try to keep primary coverage in place if "retirement" is intended to be short-term.
- If claims-made coverage is terminated, purchase a tail (and pay any tail assessment that is due).
- Determine whether a leave of absence or other action is needed to be relieved of medical staff responsibilities involving patient care, such as emergency coverage requirements.
- Arrange for appropriate coverage if necessary to be in compliance with participating provider coverage responsibilities and adjust bills accordingly.

- Address other contract issues.
- Address employee issues.

The full text of the PMS statement can be found on the PCMS web site www.philamedsoc.org. This article is for informational purposes and is not intended as legal advice. Physicians seeking legal advice should consult their personal attorney.

This article may be updated. Members may contact the Liability Reform Action Center (LRAC) at 800-566-8678 for updates.

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Former Governor Schweiker orders delay for Mcare Fund surcharge

As anticipated, Governor Schweiker directed Insurance Commissioner Diane Koken to request that private medical liability insurers postpone collection of the Medical Care Availability and Reduction of Error (Mcare) Fund assessment from healthcare providers until April 30, 2003.

The Insurance Department has also been directed to ask the Pennsylvania Professional Liability Joint Underwriting Association (JUA) to investigate whether it can accept monthly premium payments for medical liability insurance coverage. Premiums are currently paid every six months.

According to Schweiker: "The actions we take today will give healthcare providers the breathing room they need until Governor Ed Rendell's task force on medical malpractice reform unveils its recommendations."

The task force is charged with developing short-term solutions by

Please see What to do on page 3

Holiday Wishes

The Philadelphia County Medical Society offers to you, your family, staff, and patients best wishes for a happy and healthy 2003.

Rendell appoints 8 physicians

Governor Rendell has appointed eight physicians to a special Task Force charged with developing short- and long-term solutions to the professional liability insurance crisis. They are Edward Dench, MD, James Tayoun, DO, Nancy Roberts, MD, Ana Pujols-McKee, MD, Charles Bannon, MD, Brian Broker, MD, Marjorie Bowman, MD, and Michael Gratch, MD.

Tort reform program planned

PCMS, in conjunction with the surrounding county medical societies and other physician organizations, is planning a special program on tort reform on Tuesday evening, January 7, 2003.

Speakers will include Don Palmisano, MD, President of the AMA; Lila Stein Kroser, MD, PMS First District Trustee; and C. Richard Schott, MD, PMS Second District Trustee. Ample opportunity will be provided for questions and answers.

Exact time and location have not yet been set. Please check the PCMS web site:

www.philamedsoc.org for information.

Bylaws Amendments

The PCMS membership approved Bylaw amendments by an overwhelming majority. The amendments became effective at the close of the Board meeting on November 13, 2002.

Philadelphia Medicine



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ISSN 0031-7306

Philadelphia Medicine is an editorial project management service of Healthcare Media International, Inc. (HMI).

HMI publishes periodicals on medical communications, management, and managed care, and provides contract publishing and medical communication consulting services.

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Acquiring business skills: there is a better way

By Samir Mehta, MD



Graduate medical education has done little in terms of providing future physicians with business skills. The Accreditation Council for Graduate Medical

Education (ACGME) now requires many teaching programs to include healthcare organization, financing, and practice management as part of their program requirements. Despite these measures, many graduating residents and fellows continue to feel ill-prepared in managing their own practices and finances as compared to their counterparts in law, business, and industry.

This lack of preparedness may have been one of the driving factors in the rise of physician applicants to MBA programs. Many such programs are tailored to give physicians the skills and concepts to enhance leadership ability and integrate various business functions into a coherent whole. However, the basic business skills of negotiating a contract, opening or joining a practice, managing employees, and protecting and enhancing personal finances are often left to the individual through trial and error.

For medical students graduating with an average debt of \$112,000 and earning in the range of \$30,000 to \$40,000 over a three- to seven-year span, consistency and success with investments and planning is obviously ideal. At the completion of training, often there is an infusion of funds through increased salary, bonuses, and outside investments, along with an increased financial burden (e.g., malpractice insurance, loan repayment).

Drs. Thomas Stanley and William Danko singled out physicians in their popular text *The Millionaire Next Door*. They take note that "physicians, while often the brightest and [having] the highest income of those living in their community, sometimes by a factor of four, are less likely than most members of their community to be accumulators of real wealth." In fact, the authors have placed physicians in the

category of UAWs—under accumulators of wealth.

In an effort to better prepare young physicians for the future, PCMS hosted a session by Thomas L. Ledbetter, JD, LL.M., from New England Financial on December 4 regarding tort issues, asset management, deferred compensation, and investment strategies for physicians.

He addressed certain myths about investing. For instance, the "top-performing" mutual funds in any five-year period are likely to be among the bottom 25% performing funds in the next such period. The Brinson, Singer, and Beebower study demonstrated that over 91% of portfolio return is a result of asset allocation, not stock selection or market timing. An SEI Investments study demonstrated that the impact of taxes could result in a reduction of 50% potential portfolio return over a ten-year period, thus making taxes the second most important component in overall portfolio value.

Five elements have been identified in the "asset protection process": 1) reducing portfolio risk, 2) reducing taxation on earnings, 3) maximizing tax-deductible investments, 4) seeking guarantees, and 5) protecting yourself and your family. The goal of planning for the future today is to not have to worry about your future investments and financial affairs and to start enjoying life.

Dr. Mehta is chair, PCMS Young and Resident Physicians Section

Monthly Luncheons

The PCMS Past Presidents Council continues its series of monthly luncheons open to all members and guests.

The speaker on Thursday, February 6, 2003, at 12 noon, will be **Thomas M. Daulton, CPA**, Principal, Larson Allen. Topic: "Retirement and Estate Tax Planning."

Lunch and parking are free; parking entrance is from 21st Street. RSVP on 215-563-5343, Ext. 102 so we may provide enough lunches.

Medical records reproduction fee schedule for 2003

The Pennsylvania Medical Society receives a significant number of inquiries about Medical record copying fees from physicians and their office staff. While physicians have not traditionally sought to make a profit on providing medical records, they have sought to recover their costs, particularly when a medical record is substantial (e.g., life-long patient, long-term medical condition, etc.). On February 18, 1998, Governor Tom Ridge signed into law Act 26 of 1998, which sets the guidelines for the copying of medical records.

Act 26 in no way mandates that charges must be assessed for copies of medical records. It only sets the maximum fees that can be charged. These fees are updated yearly through the Department of Health. With a few exceptions, the maximum fees for a record request from a patient or attorney for 2003 are as follows:

- searching and retrieving the record: \$16.56
- pages 1 through 20: \$1.11 per page
- pages 21 through 60: \$.84 per page
- pages 61 and after: \$.29 per page
- copies from microfilm: \$1.65
- actual mailing or delivery fees

In addition to the amounts listed, charges may also be assessed for the actual cost of postage, shipping and delivery of the requested records. If a district attorney requests a medical record for an action or proceeding, a flat fee of \$16.56 may be charged. No independent or executive agency of the commonwealth is required to pay any costs associated to medical charts or records unless required by law. At this time, Workers' Compensation and Auto pay \$.07 per page, plus actual mailing costs (for utilization review).

In the instance of Medicare and Medicaid, the record must be forwarded without charge. If the medical record is requested for the purpose of supporting a claim or appeal under the Social Security Act, a flat fee of \$20.98 plus postage may be charged. Note: Some insurer contracts require

the physician to provide patient records at no charge.

NOTE: When HIPAA takes effect in April of 2003, physician offices will no longer be allowed to charge the search and retrieval fee.

For further details, go to the PCMS web site: www.philamedsoc.org

HGS Administrators in cooperation with PCMS present a medicare class—proper use of modifiers

Wednesday, February 19, 2003

Registration: 8:30 AM

Program: 9:00 AM sharp! - 12 noon
Philadelphia County Medical Society, 2100 Spring Garden Street
Free parking directly under the Society Building with the entry off 21st Street

No charge to attend this important membership benefit education session.

Registration: www.hgsa.com

PCMS people wanted!

Your colleagues would like to know what you're up to. Send news about academic or other appointments, achievements, awards, promotions, etc. to:

Philadelphia Medicine
2100 Spring Garden Street
Philadelphia, PA 19130

What to do *from page 1*

January 20 and long-term solutions to the crisis by May 2003.

While welcoming the Governor's efforts to extend short-term relief to physicians, PCMS maintains that wide gaps in access to care will continue to expand in some areas of the state and the healthcare system will remain in crisis until more permanent solutions are reached.

PCMS hosts mini-internship for CMS Staff



(From left) Mini-intern Mr. Johnny Barnes, Policy Specialist in the Contractor and Provider Operations Branch, Regional Office of CMS; Meeta Peer, MD, PCMS mentor; Mini-intern Ms. Margaret Thomas, Health Insurance Specialist, CMS; Arthur Gershkoff, MD, PCMS mentor

The Mini-Internship Program is an excellent communication tool that allowed CMS staff to hear the concerns of practicing physicians. They saw firsthand how regulations impact on the physician's job. One of the goals of the program is for CMS staff to incorporate clinical reality into rulemaking.

The hosting physicians participating in the program were:

Alan Berg, MD; Barry Bravette, MD; Ted Christopher, MD; Harris R. Clearfield, MD; John R. Cohn, MD; Matthew DeCaro, MD; Arthur Gershkoff, MD; Jeffrey Lenow, MD; Richard Neill, MD; Meeta Peer, MD; Ray Regan, MD; Ralph Riviello, MD; Rajendra Seth, MD; George Spaeth, MD; Thomas Storey, MD and Raffi Terzian, MD.

PCMS thanks the office of KePRO, Donald E. Harrop, MD, President and Mr. John DiNardi, Executive Director, for sponsoring the program. Also, we thank CMS and specifically Drew Bernstein, MD, Medical Director of Region III, Ms. Sonia A. Madison, Regional Administrator, and Mr. Dennis Carroll, Associate Regional Administrator, for helping to coordinate the program with PCMS.

If you would like to participate in a future mini-internship program as a physician mentor, please contact PCMS at 215-563-5343 Ext. 113.

pcms people



Orthopedic surgeon **David Nazarian, MD**, a member of the Section of Orthopedic Surgery at Pennsylvania Hospital, has been performing the area's only mini-

minally invasive hip replacement surgery since February 2001. Results to date show the "mini" approach is as safe and offers the same benefits as traditional hip replacement surgery, but patients experience much faster healing and recovery times.



Kenneth M. Certa, MD, member PCMS Board of Directors, and president of the Pennsylvania Psychiatric Society, participated in a special

one-hour show for WGTW channel 48 in Philadelphia on holiday stress, anxiety and depression.



Richard P. Wilson, MD, Attending Surgeon, Wills Eye Hospital Glaucoma Service, has been named President of the American Glaucoma Society for 2003.



Marie Majelle O. Yu, MD, has joined Abington Memorial Hospital staff. She received her MD from the University of the Philippines College of

Medicine in 1994. She completed her residency in internal medicine at Albert Einstein Medical Center, and is board certified in Internal Medicine.



Arthur Chernoff, MD, has been appointed Chief of the Division of Endocrinology in the Department of Medicine at Albert Einstein Medical Center.

He is board certified by the American Board of Internal Medicine and the American Board of Endocrinology and Metabolism.

PCMS Awards: we're looking for your nominations

Strittmatter Award

Since 1923, the Strittmatter Award has been regarded as being the most prestigious of PCMS. Presented to a physician who has demonstrated to the Society the most valuable contributions to the healing art, surgical or medical. Requirement: A physician should submit the nominating letter(s), and include the candidate's current cv.

Cristol Award

Presented to a PCMS member who has made valuable contributions to PCMS. Requirement: The letter of nomination should also include the candidate's activities in the Society.

Practitioner of the Year Award

Presented to a PCMS member for excellence in patient care and community service. Requirement: Letter of nomination, a current cv and should include examples of community service.

Please send your nominations to Award Chair, PCMS, 2100 Spring Garden Street, Philadelphia, PA 19130.

DEADLINE: February 21. All awards will be presented during the President's Ball scheduled for June, 2003. For information phone 215-563-5343 Ext. 113.

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