

GRACEY-BACKER, INC.

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The "Physician's Gazette" – January 2009 Insurance Issues Which Affect your Practice

Look for Lower Rates in 2009

Rates for physicians' medical professional liability insurance have declined rather dramatically, and should continue to decline into 2009. Competition is coming back to the market. Note the reemergence of credits, the lifting of new business moratoriums, and fewer companies exiting the state. Some companies are invoking stricter underwriting standards as a way to control their risk.

This welcome decline in rates is not without risk. Some physicians recall the identical situation in the late 1990's when rates declined and a host of new carriers entered the state. As the market hardened, these same companies exited just as quickly, leaving physicians high and dry and scrambling for coverage. Some insurance company executives express concern that, as the economy weakens, claims frequency will increase, leading to a tightening of underwriting standards and higher rates. In the meantime, doctors are welcoming a climate friendly to them and respectful of their bottom lines. *Gracey-Backer, Inc. research department*

Patient Harm from Problem Handoffs Is Common

A new study suggests that patient harm caused by transferring the care of a hospitalized patient from one medical or surgical resident to another is common. A study of 161 residents revealed at least one incident of handoff-related patient harm during their month-long patient rotations. About 12% of residents said handoffs resulted in major patient harm, including significant worsening of clinical status, prolonged hospitalization, disability or death. Nearly all the handoffs were conducted in person; however, few took place in a quiet, private setting. A third of respondents reported frequent interruptions during the handoffs. The problematic handoff also reduced the residents' ability to provide complete and accurate information to patients, family members, and other healthcare professionals. (*Washington Post*, 9/26/2008)

Survey: Doctors Believe Patients Less Likely to Sue if They Receive an Apology

A new survey by the Medical Protection Society (MPS) found that more than 90% of medical professionals believe patients are less likely to sue after being a victim of a mistake if they receive an apology or explanation for the error. Nearly 90% of the 700 professionals questioned by MPS said patients are more likely to complain now, compared to five years ago. However, more than 55% said what motivated people most in doing this was simply the desire for an apology and explanation. Just over two-thirds (68%) of the professionals questioned by the MPS said doctors are willing to be open with patients when something goes wrong, (*Medical Protection Society (UK)*, 10/29/2008)

Interesting Gossip: according to our sources, there is concern that claims frequency will increase in 2009 as trial attorneys cash in on favors to the new democratic administration and roll back the benefits of tort reform. On top of that, efforts to bring down the cost of health care will hurt physicians—who could also see their taxes increase. In addition, the slumping economy always brings out lawsuits from unhappy clients looking for an alternative source of income.

Gracey-Backer, Inc. is a "full service" insurance agency focusing on professional liability insurance for healthcare providers. We provide physician practices in-depth expertise, a selection of financially strong carriers, and superior service. The agency has been serving the medical community since it was founded in 1925. Please remember that we can handle your office, workers compensation, employment practices and personal insurance. Most of our clients appreciate the convenience of having one agent for everything. We would like to be that one for you!

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