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PROFESSIONAL SOLUTIONS INSURANCE COMPANY BRINGS YOU PRACTICAL TIPS FOR AVOIDING A MALPRACTICE ALLEGATION

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When Finances are Tight ... Tips for Physician Offices

As a physician, you're already aware of the impact of the recent downturn in the economy on the practice of medicine. Yet, even in good economic times, financial issues may impact a practice's quality of care, patient safety and professional liability risks.

No-Shows and Noncompliance

Patients are more prone to put off medical care, particularly elective treatment, if they lack adequate health insurance coverage or are unable to pay the cost of an office visit or co-pay.

Some offices charge a fee for no-shows or appointments canceled less than a day in advance. However, if the reason for the cancellation or no-show is financial, you may decide that this step would be

counterproductive and damaging to the doctor/patient relationship.

Patients experiencing financial difficulties are also more likely to postpone recommended treatments, diagnostic tests or procedures. For example, you may be puzzled by the ineffectiveness of a prescribed drug regimen until you later learn that the patient never filled the prescription because he couldn't afford it. Or, you may be notified that a patient you referred for a colonoscopy never showed up due to the cost of the procedure.

Before labeling patients as "noncompliant," find out why they failed to follow your recommendations. By knowing the "whys," you may be able to work with patients to correct their behavior.

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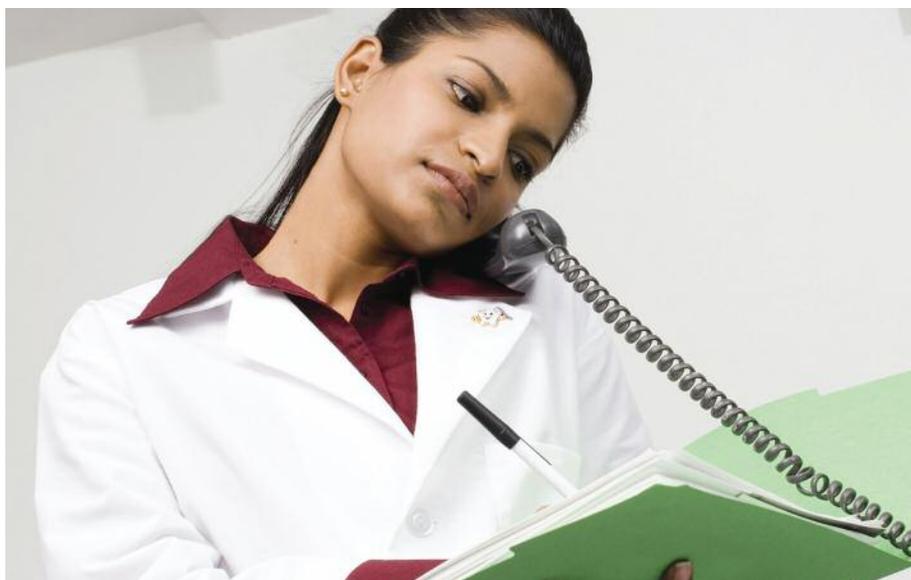
Keep in mind that many patients may find it difficult and embarrassing to admit their financial problems to their physicians. Some may find it easier to talk with someone on your office staff who is knowledgeable about third-party reimbursement and payment options.

Non-Payment Issues

As more employers reduce employee healthcare benefits or increase their costs, more of your patients may have difficulty paying their medical bills.

Some patients may also postpone needed care or not fill their prescriptions. Their conditions or illnesses could worsen, requiring more sophisticated, and often costly, treatment options. Turning these patients over to a collection agency is an option, but it may be better to offer them creative bill paying solutions. Obviously, your practice needs to collect fees to pay expenses. However, you may be better off getting a smaller payment each month than writing off an entire bill. Providing patients with a payment plan can provide them with a sense of relief—and a feeling of appreciation for the practice.

In addition, there are often discounted health insurance plans available to senior citizens and low-income patients that you can make these patients aware of.



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Practice Finances

In today's environment of increased overhead, decreased reimbursement, decreased patient compliance and increased demands on a physician's time, more physician practices are also experiencing financial difficulties.

Although it's common for a practice to reduce its hours and the number of ancillary staff when patient appointments and procedures are down, this can be a "Catch-22." Make these decisions carefully, considering staff needs and those of your patients.

What is the "right" number of staff? Which areas should be cut? If cuts are made to patient care personnel, you must ensure the practice has the necessary mix



of personnel to run safely and effectively. For example, while eliminating a fulltime RN position may produce higher savings than other staff cuts, it could leave the practice without someone trained in CPR or licensed in certain procedures to assist the physicians.

It's important that your staff continues to be sufficiently experienced and credentialed to meet patient needs and deliver quality patient care. Functioning with less than adequate staff can jeopardize patient and staff safety, quality of care, good patient outcomes, patient satisfaction, and practice efficiency. All of these factors ultimately increase your medical malpractice risk.

What We Can Learn?

- **Routinely follow up on missed or canceled appointments.** Your staff should call "no-shows," and document attempts to reach these patients. For unsuccessful attempts, letters should be sent when appointments were especially critical (e.g., anticoagulation therapy, diabetes monitoring, etc.) and if a failure to keep an appointment would increase the patient's medical risk. The letter should explain the reasons why the patient should reschedule the appointment.
- **Establish a follow-up procedure.** The practice should have a system for tracking results of ordered lab work, X-rays, and other diagnostic studies and consults. A consistently used tracking system helps verify whether a patient followed your advice. It also allows you to monitor whether the practice received the tests or consults, the physician saw the reports, and patients were notified of results. Poor follow-up management can result in

professional liability actions, particularly failure to diagnose allegations. Courts have held that when physicians order a test or consult critical to the patient's diagnosis or treatment, they have a duty to ensure the information is received and acted upon in a timely fashion.

- **Determine the reason for patient noncompliance.** There are many reasons for a patient's noncompliance—some that cannot be easily addressed or corrected. Regardless, it is the physician's responsibility to educate the patient about why the prescribed treatment plan, taking meds, having an X-ray taken, etc., is necessary for a good outcome and the patient's well-being. The physician's efforts encouraging the patient to follow medical advice should be documented in the patient's chart.
- **Offer patients less costly alternatives if they're unable to pay.** However, if

the recommended treatment is non-elective, and there are no acceptable alternatives, that may not be feasible. In these situations, the patient should be educated about why the surgery or therapy is the best option and the consequences of refusing or delaying care.

- **Be flexible and offer alternatives to patients having financial difficulties.** Patients may be eligible for state Medicaid plans, discounted health plans and low-cost health insurance plans. Many drug companies have programs that provide prescriptions to patients in need. Offering monthly payment plans can help make the "balance due" more amenable to patients. It can also help to designate a knowledgeable staff member in your billing department as the "go-to" person for patients in need of financial assistance.

Questions?

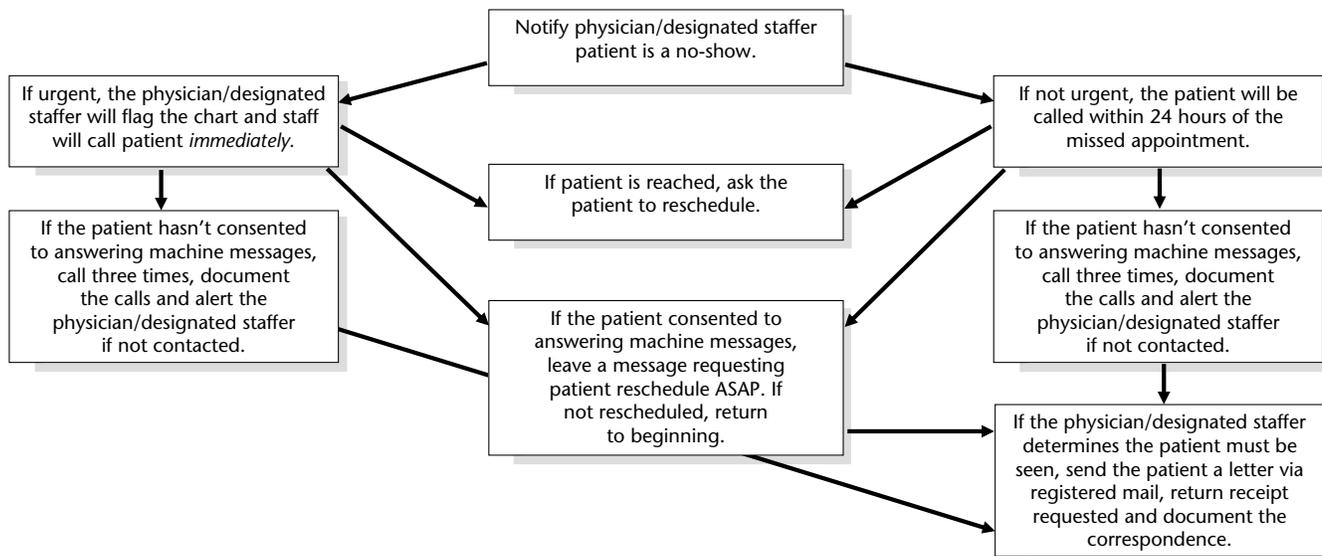
If you have any questions you'd like our Connection experts to answer, please e-mail them to physicians@profsolutions.com

SAMPLE POLICY:

- When a patient is determined to be a “no-show,” the staff will:
1. Notify the physician/designated staffer that a patient is a no-show and will be given the patient’s chart.
 - If urgent action is required, the physician/designated staffer will flag and return the chart without delay for staff to call *immediately*.
 - If the physician/designated staffer determines follow up is not urgent, call the patient *within 24 hours* of the missed appointment.
 2. If the patient is reached on the first attempt, ask the patient to reschedule.
 - If patient doesn’t want to reschedule, ask why and document the reason as well as the call. Return the chart to the physician/designated staffer.
 - If the patient reschedules, document the call and date of rescheduled appointment and return the chart to the records.
 3. If the call is answered by the patient’s answering machine, leave a message advising the patient of the missed appointment and instruct the patient to reschedule the appointment as soon as possible. (Patients must consent to having messages left on their answering machines.)

- Flag the patient’s chart for follow up in one week to check if appointment was rescheduled.
 - If appointment was not rescheduled, return to step #1.
4. If there is no answer, no answering machine, or the patient has *not* consented to answering machine messages, document the call attempt in the patient’s record and call again within two business days.
 - Repeat and document as necessary.
 - After three failed attempts, alert the physician/designated staffer that attempts to contact the no-show patient were unsuccessful.
 5. If the physician/designated staffer determines the patient must be seen, send the patient a letter via registered mail, return receipt requested advising the patient of the need to reschedule the appointment. The letter should include the physician’s signature. Keep a copy of the letter and the signed return receipt in the patient’s file.

SAMPLE POLICY FLOW CHART:



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