

**The Government continues to aggressively pursue physicians for allegations of billing fraud:**

January 13, 2003	A Fairfield, NJ, Physician (now retired) agreed to pay \$40,000 to resolve his liability under the Civil Monetary Penalties provisions applicable to false claims and kickbacks.
January 8, 2003	A cardiology group in Delaware agreed to pay \$611,250 to resolve their liability under the CMP provisions applicable to kickbacks and physician self-referrals.
January 6, 2003	A Pueblo, California, physician agreed to pay \$95,000 and enter into an Integrity Agreement to resolve his liability under the False Claims Act.

**Make sure your practice is protected from regulatory liability exposures.**

# Physicians Regulatory Insurance Program



The Federal Government is not alone in the increasing scrutiny of physician practices for billing violations. State Medicaid agencies and commercial insurance companies are launching aggressive efforts to enforce billing compliance. Additionally, increased regulation has required physician practices to spend more time on complicated administrative issues creating new liability challenges.

Physicians are legitimately concerned that a single unintentional violation of one of the many regulations can bankrupt their practice.

Below are some of the more common regulatory issues that physicians face today and how the program responds:

### Medicare/Medicaid Audit Coverage

**EXPOSURE: Governmental allegations of fraud**  
**FFActs plus** provides defense and indemnity covering fines and penalties for physicians involved with Medicare/Medicaid audits.

### HIPAA Compliance

**EXPOSURE: Patient privacy regulations**  
 New rules governing the restricted use of patient information have recently created a new liability exposure for healthcare providers. Enforcement activity for non-compliance may become an additional challenge for physician practices that are governed by these regulations.  
**FFActs plus** provides defense and indemnity protection for fines and penalties levied by Federal or State enforcement agencies as a result of allegations of HIPAA regulatory violations.

### Commercial Payor Audit Coverage

**EXPOSURE: Commercial payor allegations of fraud**  
**FFActs plus** expands coverage beyond governmental audits to provide defense costs for commercial payor investigations for billing fraud.

### STARK Coverage

**EXPOSURE: Non-compliant referral agreements**  
**FFActs plus** extends coverage to provide defense and indemnity (covering fines and penalties) for providers that are investigated for allegations of STARK violations.

### EMTALA

**EXPOSURE: Emergency Medical Treatment**  
 Physicians that are involved in emergency medicine have regulatory exposure under the Emergency Medical Treatment Active Labor Act (EMTALA). Fines and penalties associated with violations of the act can run into the hundreds of thousands of dollars.

**FFActs plus** provides defense and indemnity coverage if allegations of non-compliance are made against physicians who provide emergency medical care.

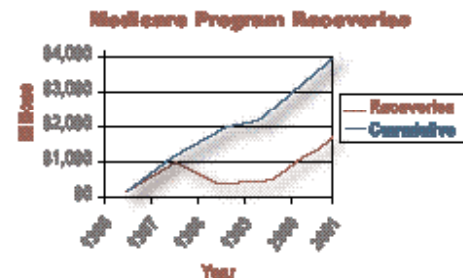
### PRODUCT FEATURES

- 6 years retroactive coverage
- Coverage for Government fines and penalties (penalties can exceed \$11,000 per violation)
- Access to an expert panel of attorneys and compliance consultants
- Affordable for single physicians and groups (\$1,452 per single physician with significant discounts for groups)
- Simplified underwriting process (requires the completion of one simple application)
- Fast quotes (premium quotes can be presented in less than 48 hours)

<b>Target Market</b>	Individual Physicians Physician Groups
<b>Form</b>	Claims Made
<b>Coverage</b>	Defense (attorneys and consultants) Indemnity (fines and penalties)
<b>Deductibles</b>	\$2,500 to \$5,000 per claim
<b>Premium</b>	\$1,000 to \$1,400 per physician (rates will vary based on underwriting criteria)
<b>Limit</b>	\$1 million (single physician) \$5 million (large groups)
<b>Company</b>	Lloyds

### Escalating Enforcement Activity

Since the early 1990s, the Federal Government has made fighting fraud and abuse in the health care industry one of its top priorities. Enforcement activities have enabled federal agencies to prosecute and win record numbers of cases. Settlements since 1996 have exceeded \$4.0 billion.



### Continued Spending

By law, the Attorney General and the Secretary of Health and Human Services must establish a Health Care Fraud and Abuse Control Program. Since 1998, the budget for this program has grown in excess of 15% annually. In addition to discretionary funding, the Federal Bureau of Investigation (FBI) receives mandatory funding as part of the Health Insurance Portability and Accountability Act of 1996 (HIPAA). The government's budget is used to fund investigations of billing fraud, STARK violations and EMTALA violations, and to fund future enforcement of patient privacy compliance.

