

Large Physician Group Dramatically Decreases Claim Frequency and Severity



Overview

One of the largest primary care physician groups in the state of Connecticut, ProHealth Physicians has over 90 locations and provides care for more than 350,000 people statewide. Established in 1997, the group accounts for approximately ten percent of the primary care delivered to patients in the state.

The Challenge

Between 1998 and 2002, ProHealth Physicians experienced a significant increase in both the frequency and severity of malpractice claims. Over the four-year period of 1999 through 2003, 60 claims were filed against ProHealth and its physicians, and its loss ratio had reached 347%.

During this timeframe, independent risk assessments were performed and provider-specific recommendations had been made. Subsequent assessments then revealed that previous recommendations were not being adhered to. There was no formal structure in place to facilitate, monitor, and measure compliance and results. A new approach—one which could deliver and measure real change—was needed.

The Solution

MRM Group, a leading provider of risk education and patient safety solutions, was selected to take on the challenge. MRM Group was commissioned to conduct a comprehensive risk assessment which would identify high-exposure areas, and to create a program that would ensure sustained practice change.

In the risk assessment, all ProHealth claims were reviewed, as well as national and local medical malpractice claims for pediatrics, internal medicine, and family practice. Analysis revealed that 56% of all claims were related to delay or failure to diagnose or treat, most often resulting from failure to track and follow up. MRM Group also identified that many physicians—nearly one-third—were neglecting to document after-hour telephone calls received from patients.

MRM Group has played a vital role in our company-wide risk management and patient safety initiatives.

James Cox-Chapman, MD
Chief Medical Officer
ProHealth Physicians

With these and other findings, the priorities became clear and a multi-faceted program was designed with these key objectives:

- Educate staff on priority risk exposures
- Develop practical risk mitigation strategies
- Incentivize participation and compliance
- Incentivize sustained practice change
- Measure participation and behavior change
- Measure financial impact

To begin the program, a risk management committee was formed for each specialty, and representatives from both MRM Group and ProHealth's insurance carrier. Reporting to the board of directors, the committee would oversee the implementation, execution, and measurement of all aspects of the program.

SUCCESS STORY

Education became paramount for the group. The CME-accredited, multi-modality education program included a variety of live sessions and online exercises that introduced and reinforced the topics necessary to drive results. MRM Group programs are based largely on actual medical malpractice cases, and participants are continually challenged to analyze and reflect on real-life situations. Many of the components are specialty-specific, and are presented by leading malpractice defense attorneys and practicing physicians. Program delivery and participation is managed through MRM Group's unique technology platform, ARKS™, a client-branded, cloud-based portal which allows participants to conveniently access web-based content, easily track their activities, and store their CME certificates. ARKS™ also allows program managers to manage participation and compliance.

To ensure active participation and compliance of ProHealth's 1,000+ healthcare providers, a compelling financial incentive program was put in place. Providers who participated would receive a dividend based on the positive financial impact of the program; those who did not participate would not only be ineligible for the dividend program, but would be liable for the first \$10,000 of any settlement or verdict made on their behalf during the program year.

To further promote and measure behavioral change, new procedures and protocols targeted to ProHealth's priority exposures were implemented, and each provider was audited on an annual basis to measure compliance.

The Results

With nearly 100% participation, ProHealth's providers quickly embraced their enhanced culture of patient safety. Attitudes and behavior were carefully measured, as were "before and after" financial data. The results were significant:

Jack Reed, ProHealth Physician's CEO, commented: "MRM Group has played a vital role in our company-wide risk man-

82%

REDUCTION IN CLAIM FREQUENCY¹

67%

REDUCTION IN MALPRACTICE INSURANCE PREMIUMS²

82%

REDUCTION IN CLAIM SEVERITY³

\$15M+

SAVINGS IN PREMIUM REDUCTIONS PLUS DIVIDENDS

agement and patient safety initiatives."

As a result of their engagement with MRM Group, ProHealth Physicians has saved to date over \$12 million in malpractice insurance premiums and have received over \$3 million in premium dividends. More important to the group, they have improved the care and safety delivered to their patients, resulting in improved patient experiences across the organization.

"The return on our investment has been extraordinary," Mr. Reed added. "Their unique case-based approach to education has been universally well-received by all our doctors, clinical, and managerial staff."

About MRM Group

With clients from coast to coast, MRM Group empowers healthcare providers and institutions to eliminate preventable adverse events, reduce the frequency and severity of claims, and reduce malpractice premiums, while increasing patient safety and improving the patient experience. Founded in 2003 by leading malpractice defense attorneys, as well as healthcare and insurance executives, MRM Group has transformed the way institutions think about risk and patient safety education, creating a highly-effective, specialty-specific methodology that has proven time and again to drive sustained practice change and consistently deliver a remarkable return on investment.

¹ Average number of claims per year prior to MRM Group program launch compared to annual number of claims per year after launch. ² Premium comparison for policy year ending 2003 compared to policy year ending 2012. ³ Average cost per claim prior to MRM Group program launch compared to average cost per claim after launch.



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