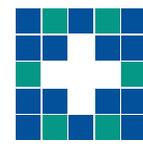


Medical Malpractice Insurance for CINs: What Matters Most?



PA Clinical Network
AT THE PENNSYLVANIA MEDICAL SOCIETY

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As [clinically integrated networks \(like this one\)](#) sprout up across the United States, one under-reported value proposition has been group purchasing for medical professional liability (MPL) insurance (a.k.a. “medical malpractice insurance”). Little wonder, since MPL costs are a [significant national expense](#) and are a [burden for physician’s offices](#).

When the Care Centered Collaborative created the [PA Clinical Network](#), a statewide CIN for independent practices, we heard the same thing from our physicians. As we pursue this on behalf of our frontline physicians, here are the major questions we’ve been asking as we examine our market options:

- **Financial strength?**
- **Long-term viability?**
- **A.M. Best Rating?**
- **Insurance options?**
- **Advocacy?**
- **Physician governance?**

Each are covered in detail below:

What is the financial strength of MPL insurers? A combined ratio of less than 1 suggests the premium is too high, because the amount being charged is greater than the cost (e.g., cost/premium, or a [combined ratio](#) of .9, says the premium should be lower to get to 1.0). More worrisome is a combined ratio that is greater than 1 (such as 1.1 or 1.2 or greater), which could suggest that there is not enough money to pay claims over the lifetime of the company.

What is the long-term viability of the MPL insurers? We’ve discovered that physicians need an insurance option that will be there for the long haul. As this article notes, the risk of being sued [is lifelong](#) and once a suit begins, [it can last years](#). Once again, an acceptable combined ratio year after year after year suggests the insurer won’t vanish in the middle of a lawsuit.

What is the A.M. Best Rating? Financial strength and long-term viability are just two metrics in a very complex area of insurance financing. Others are also considered in the objective and independently derived [A.M. Best Rating](#), which is “[a fair estimation of the solvency](#).” Any rating outside of the A range is worrisome. Lacking any rating is very worrisome.

Are Claims-Made, Occurrence and Tail available? Described in exquisite detail [here](#), it’s important to know if the company has a spectrum of insurance options. Strong doctor-centered companies understand this.

Advocacy for Tort Reform? Here in Pennsylvania, [there was a recent attempt to undo a longstanding procedure rule that protected against venue shopping](#). Physicians are asking if their MPL carriers are allies in the unending battle to avoid [another crisis](#) that could be precipitated by rolling back common-sense legal reforms.

Are physicians in charge of the company? As [this article points out](#), the likelihood that any healthcare enterprise will succeed economically, clinically and socially is directly correlated with the level of physician participation in governance.

We recommend that any purchaser of MPL insurance routinely ask about the price (amount of premium), the latest combined ratio and A.M. Best Rating.

We’ve developed a worksheet to help assess the MPL options for our physicians, and most of the carriers we have contacted have been happy to work with us and complete it. If you would like a copy, please contact Anita Brazill at abrazill@pennsylvaniacin.com.

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