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Automated Workflows Fuel Malpractice Insurance Discounts

By Ed Rabinowitz

You don't need to be a brain surgeon to understand the impact that medical malpractice insurance rates have had on the practice of medicine. According to a Center for Justice and Democracy report, during the five-year period from 2000-2004, the premiums collected by the nation's 15 leading insurance companies were 21 times the increase paid in claims. Rates have leveled off over the past few years, but they haven't come back down to earth.

But, suppose you could cut between 5% and 10% off your malpractice premium—sounds appealing, right? Well, doctors can achieve those discounts, and technology can make them possible.

"There's a lot that technology will do to make for safer or lower-risk encounters with patients," explains Evan Steele, CEO of SRSsoft, whose SRS Clinical Manager is a clinical workflow automation solution that enables physicians to achieve a 100% paperless and efficient practice. "Some insurance companies have recognized that technology reduces malpractice exposure, and they pass along a discount."

Four Practice Pluses

Steele, who holds an MBA from the Wharton School of Business, explains that software solutions like SRS help to mitigate malpractice exposure in four ways. The first is by providing universal access to patient charts, so physicians will never be caught without having a full chart at their disposal, even if they're on call over a weekend. "If an OB/GYN doctor is in the hospital and a woman comes in to give birth in the middle of the night, the doctor will have access to the chart and know all the allergies, problems and specific issues unique to that patient," explains Steele. "Having universal access to the chart mitigates the malpractice risk."

The other three areas are the prescription process, lab or test orders, and what Steele calls "the mystery pile." He describes this as important tests and labs that are sitting in a pile in the doctor's filing room that have yet to "find the chart." Those documents contain important medical information. But when the doctor sees the patient next and opens up the chart, if that paper is still in the mystery pile, then the doctor is looking at an incomplete record and making decisions that might not be in the best interests of the patient. Having a digital chart makes the mystery pile disappear.

"If I'm a malpractice company, and I see that a practice has digitized those four areas to be more efficient, I know there's going to

be less malpractice risk," says Steele. The problem, however, is that some companies have recognized the technology benefit, others are still behind the curve. "It's still more hit or miss rather than a rule."

It's a Hit in Memphis

OrthoMemphis, PC is a 15-physician orthopaedic practice in Tennessee. With two practice locations, a third location for administration, and a large physical therapy department, it was both difficult and costly to manage so much data efficiently using manual processes. "It required a lot of space, a lot of people, and created a bunch of headaches on a day-to-day basis," explains CEO Ken Beasley.

The practice interviewed several vendors, then selected SRSsoft as a partner to work with. The integration, which many practices fear will be time-consuming and disruptive to the office workflow, was quick and easy. "If you know how to operate a PC, then with a little bit of instruction, you can get through SRS," says Beasley. "I'm not the biggest user because I don't take care of patients and I don't do billing. But I can easily find my way around SRS, and the only training I received was that someone gave me my password."

Beasley explains that the benefits were instantaneous, and have grown over time since the practice began using SRS in 2003. Staff reduction, less space for records retention, elimination of misfiled charts, and improved communication between physicians and staff were the biggest improvements. The practice also received a malpractice discount in the 5% to 10% range.

Better Care

"Any insurance carrier who is smart will do a risk assessment periodically of their practices," says Beasley, "and particularly their larger practices that, due to the nature of the practice or specialty, are more prone to risk. The insurance company we utilize for our professional liability coverage comes in every year to do assessments, and they offered us a reward for what we've accomplished. And for practices as large as ours that have as high premiums as we do, that's not small."

Beasley emphasizes that a malpractice insurance premium discount is not the reason to implement SRS or similar workflow automation solution. "We're able to deliver better care to our patients, and we're able to run our practice better," he says. "But, to be able to get the financial reward for your efforts is phenomenal."

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