



# Errors and Omissions Insurance: Can You Afford Not to Have It?

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Fox Point Programs, Inc



# Introduction

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- What Can Your E&O Insurance Do for You: Real World Claims Examples.
- Your HBMA E&O Policy: What is Unique About It?
- The Claims Process: What Happens If I am Sued?
- What Can I Do for My E&O Insurance: Risk Management and Claims Prevention
- Why Does It Cost So Much: Some Insight Into Premiums and How They Are Determined



# Disclaimer

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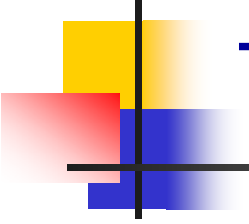
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- Participation in this presentation is at your own risk and protective gloves should be worn at all times.
- Must take delivery from dealer stock, price quoted does not include tax, title, license or document fee.



# Why Do I Need E&O Insurance

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- Who is going to make a claim against me?
  - Client
  - Patients
  - Anyone with the \$200 filing fee
- What could I do wrong?
  - Coding Errors
  - Delays
  - Billing or Collection Errors



# Is This for Real or Just a Scare Tactic

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- Some real world claims examples  
(the names have been changed to  
protect the innocent)
  - Doctors vs. Chronically Late Billers
  - Hospital vs. Code Blue
  - Patient vs. You Had Insurance?



# What Can My E&O Insurance Do for Me?

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- When are you insured? (Part 5.C.-page 10)
  - Claims Made Policy
  - Retroactive Date
  - Reported Wrongful Acts
  - Extended Reporting Period



# What Can My E&O Insurance Do for Me?

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- What are you insured for? (Part 5.A.1 -page 8)

## 1. Payments

We will pay on Your behalf those sums in excess of the Deductible and within the applicable Limit of Insurance stated in Item 5 on the Information Page that You become legally obligated to pay as Damages or Claim Expenses because of Claims as a result of a **Wrongful Act** in performing Insured Services for others.

## Part 6.L. Definition of Wrongful Act

- “Wrongful Act” means the following conduct or alleged conduct by You or any person or organization for whom You are legally liable:
  1. **A negligent act, error or omission;**
  2. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  3. **Oral or written publication of material that violates a person's right to privacy;**
  4. False arrest, detention or imprisonment;
  5. Wrongful entry into or eviction of a person from a room, dwelling or premises that the person occupies; or
  6. Malicious prosecution.



# What Can't My E&O Insurance Do for Me?

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- Only covered while performing Insured Services

Item 4., Schedule of Insured Services designed specifically for the HBMA on page 1 of the Healthcare Billing & Management Association Change Endorsement

- Exclusions



# What is So Special About the HBMA E&O Policy

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- 8 page endorsement tailored specifically to HBMA members. (SR-60)
- Broad, comprehensive Schedule of Insured Services (SR-60, page 1)
- Control over settlement or appeal (SR-60, page 2)
- Optional Additional Insured Endorsement (SR-61)



# So, You've Been Sued

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- Part 7.B. What to Do if You Have a Claim or Suit. (Page 16)
  - Notify Us (7.B.1.a.)
  - Your Agent/Broker can help
- What Not to Do (Part 7.B.2.)

None of You will, except at Your Own cost, voluntarily make a payment, admit liability, assume any obligation or incur any expense without Our prior written consent.



# So, You've Been Sued

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- What Will We Do.
  - Evaluate for Coverage
  - Assign Defense Counsel if Necessary
  - Supervise and Manage the Claim
  - Resolve the Claim (but remember page two of the HBMA endorsement)



# What If I'm Not Actually Sued

- Part 6.C. Definition of Claim

"Claim" means a demand or assertion of a legal right seeking Damages made against any of You.

- Notice of Circumstances (Part 7.B.1.)

If there is a Claim **or a circumstance likely to result in a Claim,**  
You must do the following:

- Common Sense Approach
- Places Future Claim Within Policy Period



# What Can I Do for My E&O Insurance (and My Company)

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- Risk Management, It's No Magic Formula
- E.S.C.a P.e
  - E. Education or Training
  - S. Supervision
  - C. Communication  
and
  - P. Procedures  
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# Why Does It Cost So Darn Much (and Can I Do Anything About It)

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- Some Factors Used in Determining Your E&O Insurance Premium
  - Estimated Gross Revenues
  - Experience in the Industry
  - Risk Management Procedures
  - Compliance Plan and Education
  - The X Factor
- Good News. HBMA Rates are Discounted



# Where to Get More Information

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Your HBMA Insurance Broker:

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