APPLIED MEDICO-LEGAL SOLUTIONS
RISK RETENTION GROUP, INC.

The Insured Colleague™

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AMS Completes First Full Year of Operations

Richard B. Welch, CEO

When you purchased medical liability insurance from Applied Medico-legal Solutions Risk Retention Group, Inc. (AMS RRG), you became a shareholder. You became a part of a company dedicated to long-term financial stability, competitive premium pricing and an unwavering commitment to reducing medico-legal risk. As we are now well underway in our 2nd year of operations, it is with great pleasure that I can report AMS RRG is in an exceptional financial and operating position. Since our inception in May of 2003, I would like to highlight some of the key accomplishments.

- Placed reinsurance with A rated Lloyd's syndicates in August 2003;
- Expanded our geographic coverage to 17 states;
- Over 380 policies written in 12 states (as of this publication).

Upon placement of our reinsurance with A rated carriers in August of 2003, we were able to begin writing $1 million/$3 million policies. This in turn allowed us to expand to seventeen states of which we have written policies in twelve. We have and will continue our focus on controlled growth and underwriting discipline. Additionally, as we have now achieved significant scale, we are going to expand our focus on clinical risk management initiatives on a post-underwriting basis. In other words, engage you, the members in processes to reduce risk exposure specific to your specialty and practice. The Insured Colleagues Program™, under the leadership of our Chief Medical/Underwriting Officer and the Specialty Medical Directors will be actively involved in providing you with the most current information on reducing risk in your practice as well as processes to implement any changes you desire.

Again, thank you for your interest and commitment to AMS RRG. We look forward to working with you to continue to reduce risk and improve the quality of care delivered. If you have any comments or suggestions please feel free to contact us directly or submit your ideas to the Physicians Forum at www.amsrrg.com.

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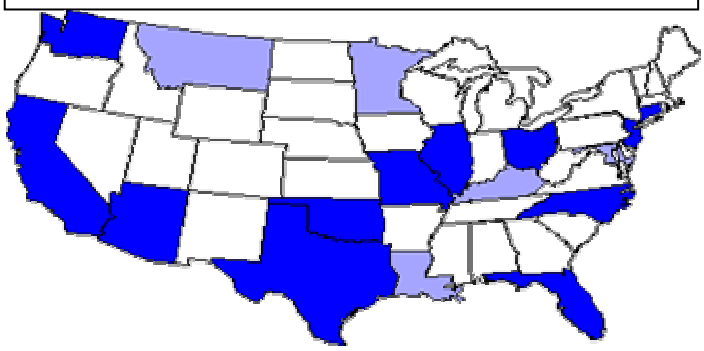
Our Growth

Members:

Arizona	Oklahoma
California	New Jersey
Washington	Illinois
Texas	Florida
North Carolina	Missouri
Connecticut	Ohio

State registration:

Montana	Kentucky	Minnesota
Maryland	Louisiana	



Clinical Tips

Contributed by our members

File this one under the "no good deed shall go unpunished" column. When a patient asked the doctor for some samples, she was kind enough to oblige, what with the cost of new medication being so expensive. However, when the patient later had a systemic complaint that may or may not have been related to the medicine, he was quick to retain counsel and institute a lawsuit because of the claim that the physician failed to inform him about how to properly take the medication, timing, side effects, etc.

In our sincere effort to help the patient, there are times when even the simplest kindness can go awry. How consistent and thorough are we physicians about documenting and accurately recording such a transaction?

Please take the time to provide patients with the information they need to understand the potential risks benefits and alternatives to the medications you prescribe. There are many resources available to help you identify that information which is important. WebMD, as an example, has information that is geared towards patient use on most medications and this information can be modified to be used in your practice.

Ultimately, the patient has the right to understand the care that you provide and to be able to participate in that care. It is the role of the physician to allow this to happen.

Website Suggestions

www.globalhealthresources.com

www.headlinespot.com

www.RMFinteractive.com

www.ismp.org

Articles of Interest

Certain articles are not that amenable for web posting because there is no easy link. However, many of these simply require registration by a username and password, so the reader may want to give them a try. Other sites require subscription membership.

In addition to the physicians' forum, we may use this newsletter, then, as a means to inform the membership about important items about which our thoughtful physicians might want to be aware.

In "A Carrot for the Right Prescription" (WSJ, May 6, 2004) Laura Landro writes about "best practice" guidelines for treatment. The article questions linking financial incentives with guidelines for treatment.

One example is the Oklahoma "Physician Direct" network which utilizes software provided by HealthGate Data Corporation, which is based on formulations by Vanderbilt and Duke Universities. The author deals with the concern about "cook book" medicine, and explores the pros and cons in satisfactory detail. Check out Ms. Landro any time she writes about physician-patient interactions in the Wall Street Journal (available at a doctors' lounge near you).

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The Insured Colleagues Program™

Steven Shapiro, M.D., CMO

We have had an exciting first year that has shown AMS RRG to be a leader in the Medical Malpractice Marketplace.

Best Practices was originally formed to help physicians understand their risk of being involved in a medico-legal event (a malpractice suit) and to develop ways to help reduce that risk. Ultimately, it was felt that the best way to accomplish this was to be able to offer a medical malpractice insurance product, thus the formation of AMS RRG.

The primary focus of the insured colleagues program since the inception of AMS RRG has been to provide underwriting that was physician oriented and would not rely upon the standard insurance company underwriting process. As you are aware, traditional insurers have primarily used 1) Location, 2) Specialty, and 3) Claims history to provide rates for their physicians. Actuaries, who are responsible for setting the rates that are used by these companies, have typically priced rates based upon the same criteria. There is no way to further classify a physician within any of these categories to further decide if premium debits or credits are applicable. As a physician who has completed an application for AMS RRG, you know that this has changed.

While an extensive review is undertaken prior to accepting a physician, through the insured colleagues program, it is important to note that as physician membership has increased, the ability to further utilize the Insured Colleagues Program to its fullest has as well.

Each specialty, as it grows will ultimately have a specialty medical director. This Specialty Medical Director (SMD) will be the leader of that specialty's Medical Advisory Panel (MAP).
The MAP is composed of the SMD and four other members from that specialty.

The goals of the MAP are as follows:

- Further refine the application process
- Evaluate each specialty from a medico-legal risk standpoint so that our physicians can better understand where there is opportunity to reduce risk
- Participate in the claims management process. We have a large number of physicians available who can help evaluate any claim for merit and help in the defense of that claim.
- Delineate the National Guidelines that have been approved in each specialty so that our physicians are clearly aware of what MINIMUM standards have been set on a national basis.

It is important to understand that every physician who is insured through AMS RRG is a shareholder in the insurance company and benefits when the company does well.

I want to point out our website www.bpmp.com. It is there that you will be able to find information about Best Practices, as well as information about the Insured Colleagues Program™. There is a physician forum there as well for anyone who has questions regarding their medico-legal risk.

Finally, I believe it is important that all of us understand that our risk of a lawsuit is not dependant on tort reform. Tort reform is clearly important in limiting awards and helping reduce premiums. Quality patient care, well documented and provided in a manner that builds upon the physician patient relationship will help keep all of us from being involved in a lawsuit. At Best Practices, we will be bringing you the information you need to help you meet this standard.

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Malpractice from a Radiologist's Perspective

Joseph Kleinman, M.D., SMD

As Chairman of a large subspecialty trained radiology group practicing in South Florida, I have become acutely aware of the malpractice crisis and how significantly it has impacted our practice.

When our malpractice insurance carrier left the State of Florida in June of 2002, we were left with only 3 options: go bare; leave the State; or enter the Joint Underwriters Association (JUA). The JUA is a State funded pool for the uninsured and does not cover prior acts, therefore requiring the purchase of a tail policy. Average costs for $250,000 /$750,000 coverage for each radiologist was between $50,000 and $70,000. These costs threatened our practice as an ongoing concern.

Fortunately, Applied Medico-Legal Solutions Risk Retention Group, Inc. (AMS RRG) became an option for our practice. Their emphasis in overall risk reduction is unique within the insurance industry. Working together with AMS RRG, we have instituted a number of measures to reduce the likelihood of a malpractice event. By increasing our subspecialization, we have been able to decrease the number of radiologists performing high risk procedures such as mammography. By using computer aided diagnostic equipment (CAD), we no longer need a second physician review of each mammogram decreasing the number of physicians potentially exposed to a lawsuit. Given the number of mammograms we read on an annual basis, there was no additional cost to obtaining the CAD equipment. We have even altered our consent form so that the patient acknowledges that she will call for the results of the mammogram if she does not receive them within 30 days.

In addition, we adhere to the American College of Radiology (ACR) practice guidelines for communication of results. Communication is a very important aspect in the practice of medicine and in particular, the field of radiology. The ACR recommends that when an interpreting physician feels that immediate treatment is indicated, the radiologist should directly communicate with the referring physician and/or other healthcare provider/ representative. Examples would include pneumothorax and intracranial hemorrhage. The contact between physicians should be documented in the report.

Additionally, findings that do not warrant immediate treatment, but those that are considered significant unexpected findings, should also be directly communicated and documented by the radiologist. The most common example in everyday practice would be that of a discovery of a pulmonary nodule on a chest x-ray. This can be a significant source of malpractice litigation.

At our hospital, we have also instituted a back-up system to verify that radiology reports closely match ER physician assessment and disposition of patients. Everyday a charge nurse from the ER will review the finalized radiology reports together with all of the discharge summaries from those patients seen in the ER and sent home. This ensures that all significant findings or discrepancies will be forwarded to the attending physician, and that appropriate follow-up action will be taken as needed.

Only by developing and utilizing ongoing risk reduction strategies can we anticipate enhanced patient care, and expect to make an impact on the ever burgeoning malpractice crisis.

Sound Bytes

Brian Udell, M.D., CIO

WHERE IS **IT*** **?**

The maturation of the AMS RRG database represents exciting progress in our mission to gather, examine, and report about unique information which focuses on medico-legal issues. The data that we are collecting with the resulting reports and analyses are all rare enough to require their own design and application, including two patents pending. Management is looking at several methodologies in order to accommodate our information growth. There are the usual buy-vs.-build decisions; however, the good news is that most choices are much less costly, time-consuming, and unwieldy than in previous millennia. Suffice is to write that the data that we have collected so far is pertinent, organized, retrievable, and was produced under budget – a remarkable feat, IT-wise!

*information technology

One of our earliest efforts with regards to the database will involve detailed claims history and analysis. Our intrepid Chief Medical Officer, Dr. Shapiro, has expressed a strong desire to have our membership take a look at the historical claims information as it has been provided to AMS and assist in populating our knowledge base and reporting by accurately detailing all pertinent activity. AMS RRG expects to email each member our version – which we expect is biased, incomplete, and occasionally erroneous - to be examined and corrected. It may or may not surprise the readership that insurance companies keep this information so close to the vest that there is little useful information to be analyzed and reported upon. So, please, take a moment to examine our version of your history and amend prn.

WWW.AMSRRG.COM

The members are invited to suggest additions or changes to the Web site which would enhance our presence, provide appropriate knowledge, and hopefully encourage important discussions among our colleagues. Specifically, the physician's forum has been provided to encourage group discussions about quality issues to improve patient care and safety. We expect to see activity increasing as our membership increases and physicians demonstrate interest in such a venue. On the other hand, most of us are busy with our practices and so if there are other features which would enhance members' medico-legal IQ, please advise.

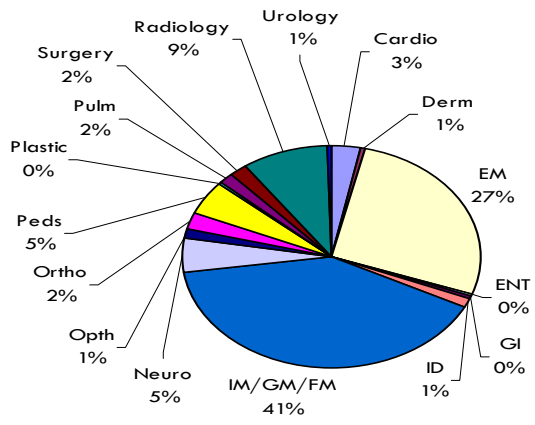
NEWS FEATURES

Unique to the AMS RRG web site is our news section which focuses on issues of national quality improvement to clearly define our philosophy as an organization for visitors and to assist our members by providing up-to-date information. Members are encouraged to email us (TIC@amsrrg.com) with articles and information for posting. The only catch is to make sure that anyone can access the media – it's kindofa drag to expect to read an article just to discover that you have to fill in a ten-page web form including your social security number and mother's maiden name merely to read about electronic medical records! If the newspaper or journal references an article that can be accessed, that is the preferable route anyway (not to mention that the reader gets the info directly from the researchers' mouths), even if it's just the abstract. As noted elsewhere in this newsletter, we can post interesting articles on this venue in order that our members access the information directly.

A Profile of Our Risk

(specialties as of November 15, 2004)

Cardio	11
Derm	2
EM	96
ENT	1
GI	1
ID	5
IM/GM/FM	144
Neuro	18
Opth	5
Ortho	8
Peds	17
Plastic	1
Pulm	6
Surgery	7
Radiology	33
Urology	2



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This newsletter is brought to you by...

The Insured Colleague™ is a quarterly publication produced by Best Practices Medical Partners, LLC, in association with Best Practices Insurance Services, the management services partners working with Applied Medico-Legal Solutions, Risk Retention Group. This inaugural issue is presented to disseminate group information, stimulate communication among the members, and introduce the membership to another venue to address their medico-legal challenges.
All members are strongly encouraged to write and submit articles and topics for future issues. You may direct communication through info@amsrrg.com and tic@amsrrg.com, plus amsrrg.com and bpmp.com

Your feedback is welcome!

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