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— COUNSEL ON DEMAND —

TOP 5 THREATS TO HEALTHCARE PROVIDERS IN 2014

Hospitals, Clinics, and Doctors' offices face countless threats. From audits and changing laws to lawsuits and mismanagement of the business, it's a minefield out there. And once you step on some of those mines, the result can be catastrophic and even lethal to your operation. So what do you do to stay ahead of all the threats coming at you from so many directions? That is the right question, and the right answer is to have a concrete strategy backed by action.

Healthcare providers can take concrete steps to protect themselves from these and many other threats. The real question is this: if it's easy to protect yourself legally, but you don't know how and your attorney doesn't know how, is it even possible for you to avail yourself of such options? No. It is not. You don't know what you don't know, and what you don't know can end your career with a lot of pain and expense.

Implementing basic protections available is easy – for you. You just need reliable advice and the proper tools to insulate yourself from common problems. Before you can begin implementing a strategy to protect your operation, you need to know...

The Top 5 Threats to Healthcare Providers

1) Financial Threats

According to a poll conducted by the American College of Healthcare Executives (ACHE), financial issues are the number one concern in the medical industry.¹ Within this area, Medicaid and Medicare funding and government cuts are of significant concern, but right behind them are debt collection and revenue cycle management. A small improvement in your collections and revenue cycle can change the landscape and give you capital to buy new revenue generating equipment, upgrade facilities, hire more staff, and/or increase your marketing budget. The right advisors can help you improve

¹ *Top Issues Confronting Hospitals*, American College of Healthcare Executives, 2012

your revenue cycle by improving collections, filing claims under the Prompt Pay Act to recover penalties you are due² and find other ways to improve your cash flow.

2) Government Compliance

The ACHE says that preventing avoidable hospital readmissions and avoidable infections is of major concern to the industry in light of the Affordable Care Act's changes.³ Are you aware of how this will specifically affect you, your staff and your future? Have you upgraded your policies and procedures to conform to the letter of the law? You should not have to read the entire ACA law yourself. But you must understand all of the ways the new law will affect you just the same -- and sound guidance is readily available. There are many other compliance issues that continue to affect the healthcare industry, including STARK, Medicare rules, Department of Labor regulations, FDA rules, DEA rules, HIPPA, and more. Staying compliant is much more manageable if you have easy access to counsel who are proactive in reviewing your policies and procedures and working with your team. Without that arrangement, you are leaving yourself open to significant penalties that can threaten your entire operation.

3) Employee Threats

Employee issues come in many forms. Some common examples include: claims for unpaid overtime hours, discrimination claims, whistleblower claims, sexual harassment or other lawsuits, worker injuries, and noncompete agreement disputes. The list is much longer. A recent survey of businesses disclosed that employee disputes were the leading category of litigation in the US, particularly in the healthcare industry.⁴

Most healthcare providers have outdated employee policy manuals that lack critical legal protections. Many have no idea how to fire an employee without being sued. Few doctors want to take the time and energy to figure these things out, and even busy administrators don't have the time to do it. The key here is that you don't have to; experts will do it for you and hand it to you for immediate implementation.

4) Lawsuits

Researchers surveyed more than 7,000 surgeons and found that nearly one in four were

² Typical settlements are approximately 5% of the amount you collected from private party payors over the past four years. If you haven't evaluated your Prompt Pay Act claims, you should contact us immediately.

³ *Top Issues Confronting Hospitals*, American College of Healthcare Executives, 2012

⁴ *Survey: Employment Disputes Lead Litigation in the U.S.*, AXIS Insurance Services, March 2013.

in the midst of litigation.⁵ Doctors involved in a recent lawsuit were more likely to suffer from depression and burnout, including feelings of emotional exhaustion and detachment, a low sense of accomplishment and even thoughts of suicide. Other studies estimate that, depending on the specialty, anywhere from 75 percent to 99 percent of practicing doctors will be threatened with a lawsuit.⁶

And most lawsuits are avoidable if you erect legal protections in advance, such as bulletproof employment policies, vendor contracts, and safety rules. Do you know each area where you are vulnerable to a lawsuit and exactly what kind of shield to put in place to prevent them? We do. We'd like to show you how you can dramatically reduce your risk of being sued, how to limit your liability when you are sued, and how to manage litigation and other disputes in a more cost-effective manner.

5) Corporate Governance Issues

Medical practices often fail to maintain corporate formalities. Partnerships break up every day, and more often than not, they result in litigation. Hospitals fail to train their Governing Board Members in how to best protect the hospital from the other threats listed above. Did you know that the owners and/or officers of a business can be held liable personally for all sorts of legal claims if the right corporate protections are not in place? And some of the most effective practices for insulating your company from such threats are completely ignored by average attorneys, who prefer to take a reactive approach to their clients' problems. Having counsel on retainer will keep you ahead of the curve and make sure you don't get blindsided by one of the above threats and that it won't be made worse by failing to put the right corporate protections in effect.

Final Notes:

To protect your business from the above threats, you will need to build legal protections for your business. The best way to do that is to join OnRetainer. Your Membership includes a free analysis of your policies and procedures, a free Prompt Pay Act evaluation, a free consultation with a business consultant, a block of hours of attorney time each month to help put legal protections in place, free collections letters sent on attorney letterhead each month, as well as many other benefits. Membership pays for itself very quickly. Check out our plans at www.OnRetainer.net, or call us at 713-574-9577.

⁵ *Personal Consequences of Malpractice Lawsuits on American Surgeons*, JOURNAL OF THE AMERICAN COLLEGE OF SURGEONS, Vol. 213, Issue No. 5, November 2011.

⁶ *Malpractice Risk According to Physician Specialty*, NEW ENGLAND JOURNAL OF MEDICINE, August 18, 2011.