

WINTER  
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### Clinic Purchasing Group Program Revised

NORCAL recently completed a comprehensive revision of the Clinic Purchasing Group (CPG) program. The majority of the changes have been made to the policy itself, as well as to its endorsements and related applications. NORCAL has revised these items to help ensure that they are more in line with current clinic practice, to enhance some areas of the CPG program, and to make the program more consistent with changes NORCAL has made to its other programs.

As of the publication date of this newsletter, NORCAL has filed the new CPG program with the Arizona, California and New Mexico departments of insurance and is awaiting approval from some or all of them. The program will be available for all applicable clinics that renew their existing policies, or that are issued new policies, with an April 1, 2009 or later effective date.

The following information is intended only to highlight some of the changes that were made. It does not identify all of the changes, nor does it provide all of the details regarding the changes. Please review the forthcoming documents closely. Here are some of the more important changes you can look forward to next year:

- The Commercial General Liability Insurance (now called Health Care General Liability Insurance) and Non-Owned Auto and Hired Auto Liability Insurance coverages will be "occurrence"-based coverages rather than claims-made.
- The Health Care General Liability Insurance will have a separate aggregate limit per policy period rather than sharing the aggregate limit with the Professional Liability Insurance.
- The medical payments sub-limit under the Health Care General Liability Insurance will increase from \$5,000 to \$10,000 per person.
- The Physicians Administrative Defense (PAD) coverage's amendments include:
  - Limits of coverage will increase from \$25,000 per insured event/\$150,000 annual aggregate to \$30,000 each administrative proceeding/\$150,000 annual aggregate
  - The various sub-limits and the deductible will be removed
  - The covered party, rather than NORCAL, will select the attorney
- The attendance at trial additional benefit will be increased from \$100 per day to \$500 per half-day per insured.
- The premium for the extended reporting period endorsement (tail coverage) will be payable in three installments rather than two.

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- If the extended reporting period endorsement is purchased, the Named Insured will receive a new set of limits of liability applicable to claims first reported under the endorsement. Under the current policy, the limits of liability available at the expiration or termination of the policy are applicable to claims first reported during the extended reporting period.
- Some existing policy exclusions have been removed, while others have been modified, and new exclusions have been added.
- Approved physicians and health care extenders will be endorsed onto the policy.

Around February 1, 2009, NORCAL will send more detailed information regarding the changes to those clinics currently insured with NORCAL. In addition, NORCAL will mail the renewal billing statements around February 15, 2009.

“NORCAL continues to find ways to improve its clinic malpractice program,” says Troy Winkles, Vice President, Chapman Insurance Company. “The company has been a reliable partner and strong advocate to CMIC and member clinics for more than ten years, and we strongly feel the program is the most comprehensive and competitive program in the country.”

### **Featured Community Clinic—Saban Free Clinic (Los Angeles)**

#### **Saban Free Clinic Braces for the Deluge**

When it comes to the current economic crisis, our community clinics are the canaries in the coalmine; they react to the toxins first. The Saban Free Clinic in Los Angeles, the nation's oldest continuously operating free clinic, may be the lead canary.

Formerly The Los Angeles Free Clinic—it was renamed earlier this year in honor of Cheryl and Haim Saban, whose \$10 million endowment gift is the largest in the clinic's 41-year history—the Saban Free Clinic provides free health care and social services to uninsured Angelenos in the nation's second largest city (12.9 million residents in the L. A. metropolitan area).

“They've begun calling it a recession,” says CEO Abbe Land, “but for us it's been a recession for a long time.” She and Co-CEO Jeff Bujer run a network of four sites, 195 employees, and 400+ volunteers. They have felt the worsening economy for many months, but now they're witnessing and managing an alarming surge on demand as more people tumble into the public-private healthcare safety net. “Our goal for next year is to figure out how we can maintain the services we provide,” says Abbe. “We're looking at where we can cut and where we can't.”

Those service levels are impressive: almost 85,000 visits per year by more than 21,000 clients. These are the working poor of Los Angeles; only 27 percent exceed the federal poverty level, while only 12 percent are homeless. Abbe and Jeff run a tight ship, with 7 percent of the annual \$12 million budget going to administration.

“As administrators, we're constantly doing contingency planning,” says Jeff, “and none of the contingencies are good.” He's especially concerned about proposed state budget remedies such as higher eligibility standards for Medi-Cal, moves that could drain vitally necessary resources from the county-clinic partnership.

The clinic and the L.A. County Health Department of Health Services (DHS) are in this crisis together. They have a strong partnership in which the clinic is contracted by the county to deliver primary care to thousands of low-income adults. The partnership keeps patients out of the emergency room, saves DHS money, and helps fund the clinic (36% of revenue).





*Jeff Bujer and Abbe Land are Co-CEOs of Saban Free Clinic in Los Angeles.*

For clinics that have not yet developed formal partnerships with their county systems, Abbe and Jeff recommend that clinic leaders reach out to county leaders and start talking. "Sometimes, out of a crisis good things can happen," Abbe says. "Both clinics and county health systems are in trouble now. They need each other. This might be a good time to make it happen."

"Our relationship with the county is incredibly important," says Abbe. "We have become the 'medical home' for many of our clients, providing primary care in a timely fashion, which is a winning situation for the client, the county and for us." But as money is drained from the over-burdened county system, all parties feel the pressure.

Abbe and Jeff continually monitor the demand on services, looking for signs that the saturation point has arrived. For example, they track how long it takes for a new client to see a doctor. The trend toward more clients with chronic illnesses requiring multiple visits during the year has begun to limit access for new clients.

"As things get worse, if clients are frustrated by overcrowding at the clinics, they will seek care in the ERs, further stressing those facilities," says Jeff.

"These are extraordinary and frightening times," says Abbe. "There is an intense stress level that you can feel. We are seeing much more depression in our clients. But we are care givers, and we intend to respond as best we can to the needs as they arise."

### **Two CMIC Clinics Win LEAP Awards**

Two of the CMIC member clinics, Clinic Ole in Napa County and Northeast Valley Health Corporation in Los Angeles County, are among the five winners of the 2008 LEAP Awards for innovative California safety-net projects. Given annually by the California HealthCare Foundation, the LEAP Award—Leveraging Excellence, Advancing Practice—promotes the spread of model practices in the delivery system and recognizes the variety of ways that safety-net clinics are addressing the growing needs of California's underserved.

Clinic Ole won for its tuberculosis screening and treatment program. One of the outstanding features of the program is group visits for Spanish-speaking patients with latent TB infection. Thanks to group visits, patient compliance and satisfaction have increased and the clinic has seen significant cost savings.

Northeast Valley Health won for its emergency room utilization reduction project. A thorough analysis of the problem of ER overuse led to several linked interventions, including a "Fever Is Your Friend" campaign designed to change patient behavior by teaching parents that many childhood fevers do not require medical treatment. The project has also improved scheduling and access, as well as case management for frequent users.

NORCAL congratulates Clinic Ole and Northeast Valley Health for their LEAP Awards.

## Welcome to New Members of CMIC

In the past quarter, four clinics have joined the NORCAL-CMIC Program:

**Order of Malta Health Clinic**—Located in the stunning new Christ the Light Cathedral Centre on Lake Merritt in Oakland, the Order of Malta Health Clinic treats the uninsured. Staffed by volunteer physicians, nurses and other professionals, the clinic is a joint effort of the Diocese of Oakland and the Order of Malta Western Association, one of the oldest Catholic orders.

**Hi Care Medical Center**—Located in Rancho Cordova, CA (in Sacramento County), this nonprofit clinic offers general medicine, general surgery, family practice, ObGyn and neurological medicine. Onsite services include laboratory and diagnostic services, physical therapy, drug and medical supply delivery, and massage therapy.

**Kids Come First Community Clinic**—Located in Ontario, CA (in San Bernardino County) to serve uninsured and underinsured children, this clinic has offered medical services and outreach for the past eight years. It's a partner in Reach Out and Read, a national nonprofit that promotes early literacy by making books a routine part of pediatric care.

**Mathiesen Memorial Health Clinic**—Located in Jamestown, CA (in Tuolumne County), this family health clinic opened its doors last July. Sponsored by the Chicken Ranch Miwuk Tribe, it offers a broad range of medical services to anyone in need in Tuolumne County and adjacent counties.