

NEWSLETTER

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ONLINE VERSION

40 years serving the profession

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DOES YOUR BUSINESS NEED DATA BREACH INSURANCE?

Most dental offices understand that the personally identifiable patient information they have on their computers is a target for hackers and that their online presence leaves them open to

liability claims. However, far fewer take adequate measures to protect their business.

Copy, Store & Secure Data

1. Back up your data regularly and store it securely. Test your backup frequently to make sure it's working.
2. Protect Data at your work space. When you step away from your computer, lock it up.
3. Be aware of phishing schemes. Train your employees to avoid emailed or online links that are suspicious or from unknown sources. Such links can release malicious software, infect computers and steal company data. Your company also should establish safe browsing rules and limits on employee Internet usage in the workplace. Responsible email usage is the best defense for preventing data theft. Employees should be aware of scams and not respond to email they do not recognize. Educate your employees to accept email that:
 - a. Comes from someone they know.
 - b. Comes from someone they have received mail from before.
 - c. Is something they were expecting.

- d. Does not look odd with unusual spellings or characters.
- e. Passes your anti-virus program test.
4. Make your employees aware that they are not allowed to install unlicensed software on any company computer. Unlicensed software downloads could make your company susceptible to malicious software downloads that can attack and corrupt your company data.
5. Passwords. Longer is stronger. Use strong passwords and change them regularly.
6. Recognize Social Engineering. Educate your employees on social media and communicate, at a minimum, your policy and guidance on the use of a company email address to register, post or receive social media.
7. Encrypt your data.
8. Consider Data Breach Insurance

In the event of a data breach, a business must respond quickly to help protect impacted individuals and the business's reputation. Data Breach coverage can help with response related expenses including costs to notify impacted individuals and good faith advertising. With most insurance companies, coverage is available to help cover legal defense and liability expenses if your business is sued because of a breach.

Data breach insurance can be added to your business owner's insurance policy for an additional premium. Limits, coverage, and premium vary by company. The broadest data breach/cyber insurance coverages are available from stand-alone policies that allow businesses to tailor coverage to their specific data privacy and network security insurance needs, including the addition of regulatory coverage, such as HIPAA. Stand-alone policies are not inexpensive, are written on a claims-made basis, and require a renewal application every year.

Evaluate how much a breach could cost your business. The extent of your exposure is determined by how many records you are storing. Once a breach is discovered you may incur IT forensics costs to determine the extent of the breach and which records were stolen, patient notification costs in addition to credit monitoring, crises management expenditures, legal fees in the event of a lawsuit, and/or possible regulatory fines and penalties.

Call Berkley Risk at 877-502-0100 to help mitigate your costs through insurance, should a breach occur. Many PIE insured currently take advantage of the business owners policies and workers comp policies options available through Berkley Risk. See their brochure on the last page of this Newsletter!

HOW DOES PIE COMPARE TO ITS CURRENT COMPETITORS?

Often we are given the opportunity to answer questions potential insured have regarding PIE vs. our various competitors. We have found over the years that most of our competitors hate PIE because they have been unable to break into our high percentage (about 85%) of Utah based dentists insured with us, and there are several reasons that PIE has huge advantages over these competitors, many of which have come and gone over the years.

Some of you are presented with a dilemma when a new partner wants you to cancel your PIE insurance and go with theirs. They are reluctant to switch because they will be hit with an expensive bill for their tail coverage. Of course this tail coverage is something our competitors use to trap dentists into not being able to change. However, we might be able to help your partner in that regard. If he/she has practiced in Utah, no matter how many years of tail coverage he/she would need, our premium would be a one-time payment of \$1,190.00. If he/she has come from another state, we are working on a new alliance with a national carrier that might be able to offer the coverage at a far better rate.

If an insured is debating what to do as far as switching or keeping their PIE coverage in place and the renewal date is coming up, keep in mind that all insured have a thirty-day grace period before they are considered overdue and that gives all insured time to weigh options and determine the disadvantages of switching to an inferior carrier!

Recently an insured furnished me with a list of items that one of our competitors thought they offered which PIE did not. In most cases the competitors are either uninformed or intentionally spread misinformation in an effort to use bait and switch tactics to entice insured away from PIE. We are very used to clarifying coverage issues to help our insured stay informed. The regret for some dentists is they find that reality after the change is not exactly what they expected.

1. Contractual Liability – Protects you when you assume liability, as you often must in hold – harmless agreements, when you do business with HMO’s, PPO’s, IPA’s, or similar organizations.

Your PIE policy also has this protection in place without any fanfare! Most of these insurance companies have this clause in their contracts and it is an unfortunate fact of life. However, we have never had a dentist deal with any claim or inkling of a claim associated with one of these hold harmless clauses so this “feature” is really a non-issue!

2. First Aid Coverage – Pays for medical expenses when someone is accidentally hurt during treatment, regardless of who may be at fault. For example, a patient coughs and the cheek is lacerated, or the crown disappears and the patient needs an X-ray. These payments will not be reported to the National Practitioners Data Bank, nor are they treated as claims against your policy.

We found out how our competitors get around the National Data Bank requirement for all malpractice carriers to report any

payment and any amount they make on behalf of any insured pertaining to professional services rendered. If the medical problem does not result in a written demand for payment and the expenses are covered by the carrier, no Data Bank report is required. However, caution must be exercised by the insurance carrier since PIE and the others are subject to a fine of at least \$10,000 or more if this requirement is not met. From a practical standpoint, the fees to cover an x-ray if a patient swallows a crown, etc. are generally so small that dentists are happy to cover them without involving PIE but we still provide a Release form for the dentist to use. There is of course no claim to report in these instances. If we do have to provide a Data Bank Report due to excessive costs our insured asks us to cover, we word the Report such that it does not raise any red flags or concerns to any entity that reviews it.

3. Employment Practices Liability Defense Coverage - \$25,000 to pay for attorney fees and court costs when an allegation of sexual harassment, discrimination, or wrongful termination is made against you by an employee. Higher limits, along with indemnity coverage can be purchased.

This EPL is good coverage to have but what our competitors will not clarify is that this coverage is usually included in the policy the company or insurance carrier that provides your Business Owners Policy (BOP) coverage for your office equipment and office related liability for slip and fall situations, etc. These competitors are not giving this coverage to you free as part of your malpractice premium. You should ask them where this coverage come from and if it is actually part of the BOP. Most BOP programs have EPL defense as part of the standard policy. If you want higher limits you can pay for these limits with an additional premium. You should also ask the competitor trying to entice you to itemize the fees they are charging for these features such as the malpractice part, BOP, EPL, etc.

4. Employment Practices Liability Hotline – Designed to provide you with expert legal advice regarding employment matters, in order to help prevent an eventual claim.

PIE insured are referred to Berkley Risk Services of Colorado for their BOP policies and are offered three choices from experience companies such as Hanover or Travelers that can customize a BOP best suited for that practice and building if owned, etc. These carriers also have EPL hotlines to help insured obtain “expert legal advice” so this is not unique to any competitor.

5. Defense costs outside your limit of liability – Unlimited defense costs over and above your limit of liability coverage – so as not to reduce your valuable protection.

If any competitor tells you that you do not have this feature with PIE they are lying. PIE never includes defense costs as part of our liability limits so they are not factored into that at all.

6. Consent to Settle – We cannot settle a claim without your consent. All employees automatically covered – No need to purchase an additional endorsement to cover your employees. Rating mechanism for claims – We have a way of debiting the premium for claims activity rather than just canceling your coverage.

Many companies charge an additional premium for this clause and employees are also covered by PIE, unless they are associate dentists. Other carriers also usually require associates or other “dentist employees” to carry separate policies, by the way! PIE covers hygienists as employees or independent contractors unless they give local anesthetics which requires an additional rider. The rider is very inexpensive but that is all our competitors can try to needle us on as far as this topic.

PIE has never settled a claim without the dentist’s consent. Also, ask the person trying to entice you away from PIE if their policy consequently has what is often called a Hammer Clause. In other words, if the carrier receives an offer to settle a claim which the dentist refuses to consent to, if the case goes to trial and settles for more than that amount, the carrier makes the dentist pay the difference. Of course PIE has nothing like that in our policy!

You should also ask the agent baiting you what the consequences are for various claims and how their rating mechanism works. Will they drop you for the first claim if they consider it meritorious? What do they mean by “debiting our premium?” Do they just arbitrarily jack up the price or issue a surcharge, which is customary? You should get clarification from the agent on protocols whenever they pay a settlement or judgment.

7. General Liability and Office Package – We can add your general liability and office package coverages on to your professional liability policy. This will save you time, money and effort as there is only one place to call. Coverage outside of Utah – protects you no matter where you practice, or set up a satellite office, or take a “hands on” continuing education course out of state– no need to purchase an additional policy.

As I mentioned earlier, PIE insured are referred to Berkley Risk Services of Colorado for their BOP policies and are offered three choices from experience companies such as Hanover, Hartford or Travelers that can customize a BOP best suited for that practice and building if owned, etc. and seek the best premium. What choices do the competitors give you? This tactic is called “bundling” and is not always the best and most economical option. Most of our insured are happy with the service they get from Berkley Risk and there are other advantages to PIE insured for participating with Berkley Risk too numerous to mention here.

8. No Contingent Liability – We cannot come after you for more money if needed to pay claims.

This is one that our competitors have tried to hang onto PIE forever. In the beginning when PIE was starting up in 1978 in an effort to set up a company owned and managed by dentists only, PIE had as part of its Subscription Agreement a Contingent Liability Clause to give the company the option of issuing an additional payment requirement if the Company could not meet its obligations. This clause never had to be invoked and PIE is in a very solid position in 2018 with an excellent reinsurer such that the Contingent Liability clause is not an issue that any insured need to worry about. Recently the old Subscription Agreement was changed to a new Subscribers Agreement and there is no longer any contingent liability clause contained therein. Also, PIE insured are owners of the Company. Ask our competitors if they have a similar option for you.

9. All Procedures including I/V and Oral Conscious Sedation are Covered – As long as what you are doing is allowed under the Utah Dental Practice Act.

PIE also covers all procedures that dentist do as long as they are allowed under Utah’s Practice Act and Rules. If a dentist does IV sedation or oral sedation, from light to moderate, or brings another professional into the office to provide these services, there is an additional premium. Nevertheless, even with the additional premium PIE’s maximum premiums are still below what our competitors will charge and if these services are not needed, the premium is less.

10. Can offer higher limits of liability coverage – Some hospitals and government agencies are asking for proof of professional liability coverage in excess of \$1,000,000.

As of 1/1/18 PIE can also offer higher limits if a dentist needs them for the same reasons, up to \$2 million per claim/\$6 million aggregate.

If you have a problem with a patient, who do you call? The agent talking you into switching? I keep notes on all situations where I have offered advice or help to dentists who have problems or issues with patients and we end up helping nearly every insured with a problem within a three-year cycle. Ask the agent if they have a local dentist available in Utah to help with potential claims or problems. Ask the agent if they are as willing and able to help as we are at PIE.

We are happy to have our dentists review our services and compare what PIE can do in contrast to our competitors. We try to stay on top of current dental issues in Utah and offer the best service we can at the lowest premiums possible. Malpractice insurance is our main line of business and not a loss leader that a competitor will use to try to entice you into using their other insurance products or a sidelight where they are only interested in collecting premiums without offering any significant services to their insured.

--RCE

THE DENTIST, INSURANCE AND VALUE-ADDED SERVICES

Editor’s Note: Although PIE does not handle dental insurance issues normally as part of the claims management process, we are asked all the time about various limitations that are part of many insurance plans patients have. Recently a PIE insured, Dr. Rob Thorup, furnished information about a company he is involved with that may be helpful to many Utah dentists as far as handling the various dental insurance companies you deal with. This article, written by Dr. Thorup, presents a description of problems and solutions pertaining to dental insurance.

Shall we simply address the elephant in the dental room right now? Here we go:

- Can you charge an additional fee directly to the patient for a more expensive all-porcelain crown? **YES!**
- Does it have to be presented in a document to the patient so they understand what the additional fee is for? **YES!**

- Does the patient have to sign a specific type of consent form for that crown? **YES!**
- Can you present it as a "lab fee"? **NO!**
- Can you increase the D2740 code you are contracted with? **NO!**

Ask yourself this question: Do all crowns have the same fees? Let's now apply that question to everyday purchases in the consumer world. Can I pay the regular price for premium fuel? Can I fly first-class for coach fare? You get the picture. What if there was a way to turn higher quality materials into a hidden revenue stream that has eluded dentistry for years? You can use better products, which your patients prefer - and you certainly don't have to give them away for free, like so many of you do, when your patients are *happy* to pay for them if presented the correct way.

Who taught me this business principle? You might be surprised to learn it was the general manager of a major insurance carrier. Why did she teach me how to present value-added services to my patients and charge for it? Because I asked the right questions! And because she, like all of our patients, like to have choice when it's available, and they're happy to pay for "their" preferred treatment options. Patients do not want to have treatment dictated by third-party payers, or by misinformed dentists who think it's illegal. Remember Doc, you do not have to pay the difference for more expensive products and services. That is the responsibility of the patient. STOP limiting treatment because of notions that have been propagated by those who don't know what they don't know. Learn how to do it the right way, the better way, the profitable way. Giving it away as a "courtesy" will not fund your retirement, nor pay your bills.

I cannot emphasize enough the importance of how you present "choice" to the patient, and how you charge them for "their choice" of materials you place in their mouth. Don't judge - a majority of patients will opt for the better choice when presented correctly. For those of you who came to the UDA Convention (which was awesome this year) and attended the presentation given by Andy Eberhardt of the Dental Cooperative, you know what I'm saying is factual, legal, and true, as you watched my five-minute interaction with a representative of a major insurance carrier.

Docs, office managers, hygienists, dental team members: attend a seminar from My Practice My Business and you will learn the truth. Dental insurance companies know they cannot come between the doctor-patient relationship. They also do not expect you to order an expensive, cosmetically superior, all-porcelain crown from a reputable lab and pay the upgrade yourself. As one of the general managers from another major dental insurance player said, "You dentists just don't understand business." "Well," I told her, "it's not our fault! We only get about six hours of formal business training in dental school." Do you all see the problem? The problem is not with insurance companies. It's with us. We don't ask the right questions. We dentists are sometimes our own worst enemies!

How many dentists have been providing value-added services and charging patients, both insured and uninsured, an agreed upon cosmetic/materials fee, in addition to D2740? The number

is more than you think! I know, because I've trained many of them during our Clinical Business of Dentistry Consulting and Training Courses. The rest have told me they received training elsewhere and came to our course as a refresher.

So Doc, do you have "status-quo-itis" or do you want to learn a better way? In my opinion, all of us in the great state of Utah deserve better. So many of us struggle. So many of us are happy if there's ANY money in the account at the end of the month. We are currently the lowest reimbursed state in the union. That's not a badge of honor we should live with. Let's make a change!

Your Colleague, Rob Thorup, DDS
Clinical Director

My Practice My Business

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2017 STATISTICS DENTISTS COMING AND GOING

At the end of this online Newsletter on pages 6 and 7 you can read our statistics for 2017 as far as policies written and canceled by PIE. The number of new policies written has averaged 57 so we sustained a slight increase over that with 64. The number of cancellations was less than last year at 67. The number of dentists who seek temporary coverage which helps with working interviews or for dentists requiring coverage for a one-time CE course in Utah has stayed consistent and has been a popular option. Our offering these temporary policies has helped new dentists who are potential insured form a very positive opinion about PIE and the services we can render and most of these dentists obtain regular policies once they decide that Utah is the place for them.

The number of dentists retiring has stayed at around twenty per year for the past several years and 2017 was no exception. The average retirement age was 72 which compares to 70 in 2016 and 69.4 in 2015. We saw the number of dentists leaving the state each year or establishing satellite practices in nearby states decreased in 2017 as compared to 26 in 2016. The number of new graduates insuring with PIE was 26 in 2017. This number was much higher in 2009 when we signed up almost fifty new graduates. Obviously, there are not enough places for that many new dentists to land and succeed each year in Utah but the smaller number is working out better. We also had a significant number of dentists switching carriers due to dissatisfaction with their prior malpractice carrier due to either higher premiums or poor service. We hope that our service and claims handling is such that few if any of you want to switch to one of our competitors or terminate your PIE coverage unless you have to move away or are ready to retire! The earlier article covered this topic well!

PIE is the only entity in the state that compiles these statistics and we plan to continue to do so in the future. We often get requests for copies of these statistics and are happy to share them.

--RCE

GUEST COMMENTARY THE 11TH COMMANDMENT

David L. Alvord, DDS
Member, PIE Board of Directors

Most of us can remember Ronald Reagan's 11th commandment: "Thou shalt not speak ill of any fellow Republican." Reagan understood that a disgrace brought to any member of his party, would hurt every member of that party - including himself. This principle can be applied to any organization.

Loyalty proved crucial during my service as mayor of South Jordan City. When I was first elected, our City Council conducted itself with a great deal of contention and strife. This harmed the reputation of the entire city. After a midterm election we began to show greater respect to each other. By the end of my term, city surveys showed that 85% felt that the city was on the right track - and by no coincidence, we had ceased the backbiting. We had become united and loyal to each other.

The 11th commandment should apply also to dentistry. Ours is a profession held in high esteem, far above that of lawyers, politicians and used car salesman. However, in a competitive region like much of Utah, we may be tempted to elevate ourselves above our peers - which could harm the reputation of all dentists. For example, when a new patient complains that his/her previous dentist is less than stellar, do you nod your head and then proceed to assure the patient they are now in the hands of a master? When you see a patient whose x-ray shows an open margin, do you automatically assume the dentist was negligent? If you see an incomplete root canal, what do you say? Many incomplete root canal cases are due to the patient not returning for final treatment.

May I share with you a personal story where my lack of charity backfired ROYALLY? Several years ago, an x-ray revealed a DO composite where the dentist clearly placed the Tofflemire band improperly - leaving half of the preparation exposed to the elements causing gingivitis and bleeding. I pointed out the problem to the patient, but then added an editorial comment that "this dentist really should have known better". Unbeknownst to me, the man I threw under the bus was not just her previous dentist, but was her recently deceased father! She explained with tear-filled eyes that his health had been failing and that he likely did the best he could that day. I apologized profusely but the damage had already been done. I lost her business along with her 5 children. I'll never make that mistake again. I felt terrible.

Let us assume that other dentists are just as competent as we are. When we see work that is substandard, let us remember that we don't have all the facts. There is always more to the story! If you feel morally bound to tell the patient of poor work, do not elaborate on possible sinister motives. Always call the dentist and try to understand what went wrong. Doing so will not only reduce our potential claims and lawsuits, but will also help improve future outcomes as you consider how to deal with the patient going forward. As dentists we need to remember to be charitable to each other and to maintain goodwill within the profession. Never speak ill of other dentists - keeping Reagan's "11th

Commandment" is wise for Republicans, Democrats, and even dentists.

Secure your business data

with:



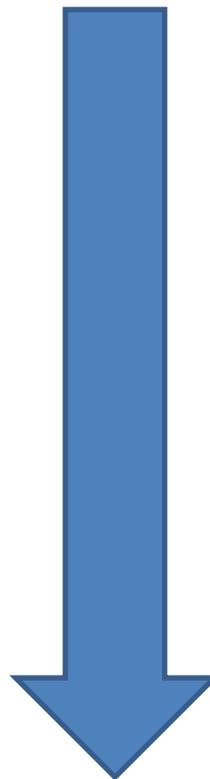
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Scroll down to next page to see the statistics!



P.I.E. STATISTICAL DATA - 2017

New Insured

New Policies Written	64
New Graduates (Never Practiced Before, Anywhere) Specialists: 2 Pediatric, 1 Prosthodontist	26
Moved from other states or countries (AZ 2, CA 3, CT 1, ID 1, IL 1, OR 2, TN 1, WA 2, WY 1, Saudi Arabia 1) (Came back to Utah after trying other state: 2)	15
Finished Military Obligation	3
Switched to PIE from other carrier; Already practicing in Utah	11
Came out of Retirement, returned from Mission service, etc.	2
Temporary Coverage Only	7
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TOTAL INSURED DENTISTS, YEAR END:	1287
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Net PIE Decrease, 2017: 3 dentists	
<hr/>	
Average Age at Retirement:	72
Youngest:	60
Oldest:	83

P.I.E. STATISTICAL DATA - 2017

Cancellations

Total Policy Cancellations	67
Retirement	21
Retire	13
Retire to teach only	1
Retire to serve Mission	5
Retire for 2 nd time	2
Specialists retiring: 1 (1 orthodontist)	
Retire early due to disability	8
Drug Addiction	1
Back/Shoulder Problems	2
Liver failure	1
Cancer	1
Rheumatoid Arthritis	1
Essential Tremor	1
Non-Specified	1
Died	2
Move from Utah to practice elsewhere or establish out of state satellite	17
Switch Carriers	7
Entity that provides own coverage	1
Bait and Switch	1
Work only for VA, Pub. Health, Indian Health Service	3
Needed Higher Limits	1
Needed out-of-state tail cov.	1
Temporary Coverage Only	7
Non-Payment of Premium	3
Switch to entirely different profession	2

DETAILS WITH 2017 DATA

STATES DENTISTS MOVED TO or SATELLITE ESTABLISHED:

Arizona:	3
Alaska	3
California	1
Colorado	3
Hawaii	1
Kansas	1
Nevada	1
Oregon	1
Tennessee	1
Washington	1
New Zealand	1
	17

Number establishing satellites: 2
 Number moving out of state 15

AGES AT RETIREMENT (Inc. 2nd TIME):

60, 65, 67, 68, 69, 69, 70, 71, 72, 74, 76, 76, 77,
 80, 83

AGES AT TIME OF MISSION SERVICE:

59, 65, 67, 70, 76

AGE AT RETIREMENT TO TEACH FULL TIME:

63

AGES AT TIME OF DISABILITY:

Drug Addiction: 57; back/shoulder problems: 60,
 63
 Liver failure: 69; Cancer: 65; Rheumatoid
 Arthritis: 67 Essential Tremor: 33; Non-Specified:
 58

SWITCHING CARRIERS:

1. 1 dentist became employed by an entity that provided coverage.
2. Bait and switch: 1 dentist was enticed by another carrier due to claimed advantages of bundling coverage.
3. 3 dentists went to work for government related entities which included the VA, Public Health and Indian Health Services.
4. 1 dentist needed higher limits to work in the prison system. Since that time PIE now has made these higher limits available.
5. 1 dentist needed out-of-state tail coverage which PIE has since been able to make available through an arrangement with another carrier.

You can also see that 11 dentists already practicing in Utah switched to PIE when they found out that PIE offers better rates, better service and several other advantages they could not get from their prior carriers.