

COPIC Tip:

Protecting yourself as you retire or reduce your practice

Things to consider with medical professional liability coverage

As physicians enter the later stages of their careers, they are forced to confront questions about reducing practice activities or hanging up the stethoscope altogether. This transition requires thoughtful planning to address the administrative details and other changes that will take place. Perhaps the best starting point is to ask the following question—***Do I plan on fully retiring from practicing medicine or would I like to continue my medical practice on a limited basis?***

Regardless of what direction is chosen, there are a couple things to remember:

- **Notify your patients**—When physicians change their scope of practice or retire, this can have a significant impact on the patients they care for, especially ones who they have been seeing for many years. Patients should receive adequate notification about how their care will be transitioned (if necessary) and how they can access their medical records (medical practices are required to have a records retention policy and plan in place).
- **Make a checklist of other parties you need to inform**—These may include the Nebraska Department of Health and Human Services, the Drug Enforcement Agency, privileging facilities, certifying boards, colleagues, referral networks, contracted payers, membership associations, vendors, and service providers. At least 60–90 days prior notification is recommended for each of these in order to handle any details before your change or departure from practice. Consultation with personal legal counsel may also be needed to ensure all compliance issues are assessed and addressed properly.

You should contact your medical professional liability (MPL) insurance carrier at least 90 days prior to any changes to discuss adjustments to your coverage. A good carrier has years of experience in dealing with these types of situations and can help you explore options that are appropriate for your needs.

Coverage for retirement

When deciding to retire from the practice of medicine, physicians should be familiar with the tail provision of their policy (also known as extended reporting period coverage). Tail coverage provides protection for any previously unreported incidents, claims, or lawsuits that may be reported after the termination/cancellation of the policy.

Be sure to ask about the qualifications and options related to death, disability, or retirement. Some carriers will waive the premium for tail coverage if certain conditions are met, including years of coverage, however, in some cases they may include a minimum age requirement. Carriers may also waive tail coverage for a bona fide retirement. However, physicians who re-enter the practice of medicine at a later date could be subject to cancellation of their tail policy, or be required to repay the waived tail coverage amount.

Coverage for changes to scope of practice

When a physician is reducing his or her scope of practice (i.e., no longer providing obstetrical care), moving to a part-time schedule, transitioning into a medical/administrative role, or volunteering, there are opportunities to modify the MPL policy and adjust the premium charged.

Be upfront with your carrier about your transition plans. If you are unsure what your future holds, discuss options that will allow you to make changes as you explore different opportunities. During these discussions, identify any locums or consulting work planned, administrative medicine work, or plans for medical volunteer work that might require continuation of coverage. Volunteering is a great option to consider and a way for physicians to continue to contribute to health care. Several MPL carriers offer coverage at a reduced premium to eligible physicians who provide uncompensated medical care.

If a physician is covered by a hospital or medical group in which the coverage is provided, he or she should understand what will happen to his or her coverage when no longer employed or contracted. In most cases, coverage can be easily written to an individual policy if desired.

This can be an exciting and challenging time as physicians change or transition out of their medical careers, but it should not be negatively impacted by complications of your MPL policy—let your carrier help you through this.