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President/CEO  
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# MMA ANNUAL MEETING

## MAINE INSURED

Year	Physicians	Hospitals
2004	2466	23
2005	2452	23
2006	2490	22
2007	2508	21
2008	2507	21
2009	2526	21
2010	2514	20
2011 As of 8/31/11	2529	20

## NET INCOME

### Year

2003	-\$6,364,000
2004	-\$7,722,000
2005	\$5,815,000
2006	\$10,248,000
2007	\$7,947,000
2008	\$6,169,000
2009	\$6,221,000
2010	\$4,738,000

# MAINE CLAIMS

12/31 of Each Report Year	Hospitals	Hospital Employed Physicians	Private Practice Physicians	Total All Physicians	Total HPL & PL
2003	58	13	115	128	186
2004	55	6	95	101	156
2005	62	16	81	97	159
2006	56	9	68	77	133
2007	43	14	59	73	116
2008	55	28	60	88	143
2009	50	10	54	64	114
2010	56	19	64	83	139
2011 (as of 8/31/11)	26	14	24	38	64
2011 Annualized	(39)	(21)	(36)	(57)	(96)

# MAINE PHYSICIANS DIVIDENDS/RATES/RELATIVITIES

YEAR	Dividends	% of Net Prem.	Rates	Relativities
2007	\$1,988,213	8.0%	0%	0%
2008	\$2,157,000	10.0%	-5.00%	-6.10%
2010	\$1,363,150	7.0%	-5.00%	0%
2011	\$372,807	2.0%	0%	-1.80%

## THE NOT SO GOOD NEWS

❖ National Statistics NEJM 8-18-2011. Data from 1991-2005.

☐ Each Year:

- 7.4% of physicians will have a claim
- 22% of these (1.6%) will have indemnity payment
- 19% Neurosurgeons will have a claim
- 19% Thoracic surgeons will have a claim
- 15% General surgeons will have a claim
- 5% Family practice will have a claim
- 3% Pediatricians will have a claim

### By Age 65

75% of low-risk physicians will have had a claim

99% of high-risk physicians will have had a claim

### Errors by Category

Outpatient: Diagnostic Errors 46%

Medication Errors 30%

Surgery Errors 14%

Inpatient: Surgery Errors 34%

Diagnostic Errors 21%

Medication Errors 20%

## THE GOOD NEWS

- Maine physicians claims are down on average 35% since high water mark in 2003
- 70% of claims are dropped or dismissed
- 20% Settle
- 5% go to trial – 85% found for defense
- Maine physician rates are the 10<sup>th</sup> lowest in the US

- Electronic Medical Records
- More Insureds:
  - 32 million additional insureds starting in 2014
  - May overwhelm the PCP system
  - Increase use of mid-levels
    - Scope of Practice
    - Supervision
    - Judgment Errors
    - Failure to Diagnose
    - Delay in Diagnosis
- Pressure to Control Costs
  - Incentive to do less
  - Inappropriate Variation