

Hahnemann Webinar: Frequently Asked Questions

What is the Mcare Act?

The Medical Care Availability and Reduction of Error (MCARE) Act requires physicians practicing in the state to maintain mandatory medical professional liability insurance. Among a number of other related functions, the Act:

- Sets the mandatory medical liability insurance coverage requirement for physicians practicing in the state, and
- Establishes the Mcare Fund.

What is the mandatory medical liability insurance coverage requirement for physicians practicing in Pennsylvania?

Physicians practicing in Pennsylvania are required to have basic insurance coverage of \$500,000 per occurrence and \$1,500,000 per annual aggregate. The Mcare Fund provides a second layer of coverage in the amount \$500,000 per occurrence and \$1,500,000 per annual aggregate for claims that exceed a physician's basic coverage.

What is Mcare Fund?

A description of the Mcare Fund is located on the [agency's website](#). Excerpts of the description are provided below:

“The Mcare Fund is the agency in charge of collecting assessments and monitoring compliance with the Mcare Act regarding mandatory insurance requirements.

The Mcare Fund collects assessments from physicians and other health care providers, which are placed into a special fund within the State Treasury established, among other things, to ensure reasonable compensation for persons injured due to medical negligence.

Money in the fund is used to pay claims against participating health care providers and eligible entities for losses or damages awarded in medical professional liability actions in excess of basic insurance coverage provided by primary professional liability insurance companies or self-insurers.

The agency is also responsible for reporting health care providers who do not comply with the Act to the corresponding licensing boards for the suspension or revocation of health care providers' licenses when necessary.”

What are the insurance coverage requirements under Mcare?

Under Mcare, a physician is required to have insurance coverage limits totaling \$1,000,000 per occurrence and \$3,000,000 per annual aggregate. The mandatory coverage limit is the sum of two separate layers of coverage—the basic coverage (i.e., primary) layer and the Mcare coverage layer:

- Physicians are required to obtain basic coverage in the amount of \$500,000 per occurrence and \$1,500,000 per annual aggregate.ⁱ

- The Mcare Fund provides additional coverage of \$500,000 per occurrence and \$1,500,000 per annual aggregate, in excess of the primary layer of coverage.ⁱⁱ This second layer of coverage is funded by an assessment levied on physicians who participate in Mcare.ⁱⁱⁱ

Mcare participation is mandatory if a health care provider is licensed in Pennsylvania and 50% or more of the patients to whom the health care provider renders services are in Pennsylvania. And, in the case of residents and fellows, participation is mandatory once the resident/fellow qualifies for an unrestricted license.

Participation in Mcare requires that a physician obtain separate primary coverage that meets the limits described above (i.e., \$500,000 per occurrence and \$1,500,000 per annual aggregate).

When is a resident considered “Mcare eligible”/ “Mcare ineligible”?

A resident is considered Mcare eligible once they meet the requirements to receive an unrestricted medical license.^{iv} Residents who do not meet the requirements to qualify for an unrestricted medical license are deemed “Mcare ineligible.”

What are the insurance coverage requirements for Mcare eligible and Mcare ineligible residents?

Mcare eligible residents must participate in Mcare. Residents participating in Mcare are required to obtain primary coverage, with individual limits, in the amount of \$500,000 per occurrence and \$1,500,000 per annual aggregate. The Mcare Fund will provide the resident with additional coverage of \$500,000 per occurrence and \$1.5 million annual aggregate, in excess of the primary coverage.

There are no statutory coverage limits enumerated for Mcare ineligible practitioners. Appropriate coverage limits for such practitioners should be decided between the individual and their insurance broker.

When does a resident qualify for an unrestricted license to practice medicine?

In Pennsylvania, there are several requirements that must be met to qualify for an unrestricted medical license. Among these requirements is the completion of a specified number of years of post-graduate education (i.e., residency training), which varies by medical degree type:

Osteopathic Medical Degree (DOs)

An applicant is not eligible for an unrestricted DO license until they have completed an approved internship, this could be accomplished after one year of graduate training.

Allopathic Medical Degree (MDs)

- Two years of graduate medical training at a first and second-year level if the applicant is a graduate of an accredited medical college.
- Three years of graduate medical training at a first, second and third-year level if the applicant is a graduate of an unaccredited medical college.

For additional information on the requirements for a unrestricted MD license in Pennsylvania see [49 Pa. Code §17.1](#), for a DO license see [49 Pa. Code § 25.251](#).

Where can I find a list of accredited graduate medical training programs?

For a list of accredited graduate medical education programs in the United States, please visit the Accreditation Council for Graduate Medical Education’s (ACGME) website [here](#).

I was a PGY1/PGY2/PGY3 while training at Hahnemann University Hospital/St. Christopher’s. I am unable to get a quote for coverage. Why?

In most cases, residents are unable to obtain quotes for coverage because they did not have basic coverage, with individual limits, for at least some portion of the training period in need of coverage (Jan 10, 2018 through Aug. 6, 2019).

Residents are typically included under the hospital’s group policy, and share policy limits with other health care providers, until they are Mcare eligible (i.e., they have completed the years of post-graduate education (PGE) required to qualify for an unrestricted license). Those who have not completed the requisite years of PGE are deemed “Mcare ineligible.”

Once a resident becomes “Mcare eligible”, the resident is required to participate in Mcare. Participation in Mcare requires that the resident have individual basic coverage limits, before the Mcare layer of coverage would be provided.

Due to an array of complications that could arise in providing coverage, insurance carriers may be reluctant to provide individual coverage for prior acts that are tied to the hospital’s group policy. However, carriers may be able to offer coverage for the portion of the resident’s training covered by individual basic coverage limits.

This means that residents who were “Mcare ineligible” for any portion of their training between Jan. 10, 2018 and Aug. 6, 2019 may find it difficult to obtain coverage for the period during which they were “Mcare ineligible.”

The AMA, PAMED, and PCMS are working to identify solutions to find coverage for those residents who cannot find coverage for the “Mcare ineligible” portions of their training.

***UPDATE Jan. 3, 2020:** Arthur J. Gallagher & Co. (Gallagher) has indicated that they are willing to provide coverage to both Mcare eligibles and ineligibles.*

In order to receive a quote, please send an email with “Hahnemann resident tail malpractice insurance quote” in the subject line to Peter_Reilly@ajg.com and cc: James_McNitt@rpsins.com. Be sure to include any information you have gathered, including the loss run report.

I obtained an unrestricted license for the purpose of moonlighting. Does this change the type of coverage I would obtain?

No. Philadelphia Academic Health System (PAHS) provided claims-made insurance to Hahnemann and St. Christopher’s trainees to cover services they provided within the scope of their graduate training program; accordingly, health care services provided by trainees while moonlighting would not

be covered by this insurance. The tail insurance obtained would only protect against liability arising from services provided within the scope of the graduate training program.

I am a Hahnemann resident and I did a rotation at St. Christopher's. Was I covered by Hahnemann's policy or two policies during my training?

Hahnemann residents training at St. Christopher's were covered under Hahnemann's claims-made policy, which was originally set to expire on Jan. 11 at 12:01 am. This policy has since twice been extended for additional thirty (30) day periods.

How do I send notice of a potential claim?

Affected residents and fellows should consider providing the Philadelphia Academic Risk Retention Group (PA RRG) with a notice of potential claims as soon as possible, even if a claim does not yet exist.

Under the PA RRG policy, a potential claim is *"an event, including an incident arising from, or in connection with, that event, which an insured knows or reasonably should know is likely to result in a claim."*

Giving PA RRG notice of potential claims will help to ensure that a related claim will be covered under the existing claims-made policy, even if the claim is not presented until after the claims-made policy terminates.

Be prepared to provide the following information:

- Patient name
- Patient date of birth or approximate age
- date of admission or date of treatment
- the event that occurred that may result in the potential claim.

Submit potential claims to:

Linda J. Ramsey, ARM, CPHRM, CHC
PAHS Assistant General Counsel & VP of Insurance Portfolio
(610) 812-2417 (cell)
Linda.Ramsey@americanacademic.com

How do I get a loss run report?

You will need to provide a loss run to apply for tail coverage. A loss run report is a report your insurance company generates which shows the claim activity on your insurance policy.

For coverage under the PARRG, you can email a request to Terry Donahue at Sedgwick, therese.donahue@sedgwick.com and, if you were employed by Tenet Business Services Corporation, include Keri Kegley at keri.kegley@tenethealth.com.

Are there financing options to assist with the cost of tail coverage?

There is the potential for low-interest loans with deferred interest and repayment to assist with the possible cost of tail coverage. You might first want to inquire about such possibilities with your employer or institution as well as your bank.

Laurel Road is offering a personal loan program for residents and fellows affected by the closure of Hahnemann and sale of St. Christopher's. Click [here](#) for more information on this offer by Laurel Road. Questions regarding the Laurel Road program can be directed tohelp@laurelroad.com or (855) 245-0989.

[Doc2Doc Lending](#) has also expressed an interest in assisting physicians and physicians-in-training affected by the Hahnemann closure and St. Christopher's sale.

Two financing options that might be particularly helpful to visa holders and nonresidents of the United States are Stilt and Finder. [Stilt](#) offers loans for J-1 visa holders without a cosigner. [Finder](#) is an independent comparison platform that allows non-U.S. residents to qualify for loans.

Specific loan terms and financing products offered by different providers can vary. Before committing to any loan, please review the specific terms of your loan package and ask any question you might have concerning the offer to the loan provider.

The inclusion of any financial institution or loan provider does not constitute or imply endorsement, recommendation or favoring of any such company by PAMED

ⁱ 40 P.S. 1303.711(d)(2)(i).

ⁱⁱ 40 P.S. 1303.712(c)(2)(i).

ⁱⁱⁱ 40 P.S. 1303.712(d)(1).

^{iv} Mcare Declaration of Compliance Form <https://www.insurance.pa.gov/SpecialFunds/MCARE/Pages/Mcare-Compliance.aspx>.