

# Locum tenens and malpractice insurance

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As a physician considering locum tenens work, you *should* be concerned about malpractice insurance. Regardless of who arranges for the coverage, it applies to the work you do and protects your professional future. We compiled this guide as a resource for physicians considering locum tenens practice, based on more than a decade of discussions with physicians making the same decision.

### **Expect comprehensive malpractice insurance from a strong carrier**

All locum tenens organizations in good standing with the National Association of Locum Tenens Organizations (NALTO) should secure malpractice insurance for every day worked by the locum tenens physicians they place.

VISTA Staffing Solutions carries a policy with limits of \$1 million per claim/\$3 million annual aggregate per physician. VISTA's policy is provided by The Evanston Insurance Company, one of the oldest, most stable carriers serving the health care industry. Shand Morahan, underwriting manager for The Evanston Insurance Company, was established in 1970. The company scores straight As in quality ratings: A.M. Best rates them "A (Excellent) IX; Duff & Phelps gives them an "A+" for claims paying ability, as does Standard & Poor.

As you undoubtedly know, there is a great deal of turmoil in the malpractice industry today. Several major carriers have left the market and others are limiting new policies or increasing premiums dramatically. Our malpractice advisors strongly caution any buyer, large or small, against purchasing malpractice (or accepting coverage arranged by a facility or agency) from a carrier that is rated below B+ by A.M. Best.

### **Consistency is key**

At VISTA, we also believe that consistency is very important in the malpractice area. Our contracts to provide locum tenens coverage for facilities or practices always include malpractice insurance. We do not structure contracts that allow a client to provide primary malpractice coverage for our physicians because we are committed to ensuring the long-term protection of our physicians. If coverage is provided by a client, we can't control renewal or purchase of tail coverage.

By the same token, we do not work with physician-provided malpractice. We have the same commitment to ensuring the long-term protection of our clients. If malpractice insurance was provided by a physician, we could not control its renewal or purchase of tail coverage.

## Living coverage vs. a static policy

VISTA carries a claims-made policy that covers claims first made during the policy period. In essence, claims-made coverage is “living” coverage that is continually updated as economic trends change, as the financial stability of malpractice insurance carriers changes, and as national health policy changes.

This means that the work completed by the independent contractor physicians who work with us is covered **whenever** a claim arises, even if the physician is no longer under contract with VISTA. It is essentially current, up-to-the-minute coverage for the complete body of work completed by VISTA physicians since the company’s inception.

This offers several advantages:

1. VISTA’s claims-made policy is kept up-to-date with **terms that suit the current economic climate**. If a claim from past work arises, it is covered under these current terms, rather than at terms that were appropriate up to a decade ago.

Occurrence-based malpractice insurance, another option offered by some locum tenens organizations, provides coverage for anything the physician does during the time the policy is in place. However, terms for this coverage are static, set at the time the coverage is secured. The size of settlements has grown exponentially in the last 10-15 years, and the terms of these static policies may be inadequate for a settlement today.

2. It is in VISTA’s best interest to stay with a financially secure malpractice insurance company. If a carrier begins to weaken, as has happened in this volatile market, VISTA can secure coverage from another company. Based on the strength and stability of our company, **coverage for all past work moves with VISTA to the new carrier and away from the risks of a failing carrier**.

Occurrence-based policies, on the other hand, stay with the carrier that wrote them. The company does not have the ability to move the coverage to a more stable carrier. If that carrier faltered, the covered physician would have to shoulder the risk of claims for all patients seen during the coverage period.

## **Stability counts**

The stability of the locum tenens company you are considering is even more important than good ratings for the carrier and current economic terms for the coverage. VISTA Staffing Solutions has shown consistent profitability since recouping start-up costs in our second year of operation. The company has enjoyed a compound annual growth rate of more than 25 percent per year since 1990. VISTA has minimal employee turnover, assuring continuity of relationships with physicians and the organizations that hire them. Like many of the health care organizations we serve, VISTA fosters employee training and development through a best-practices environment. Employees learn continually from peer-to-peer education, clinical in-services with VISTA's medical directors, and roundtable sessions with practicing locum tenens physicians and health care practice managers and administrators.

## **Strong malpractice coverage is a team effort**

Obviously the quality and risk management interests of VISTA Staffing Solutions and the physicians with whom we work are closely aligned. Top-of-the-line insurance is not the only requirement for effective risk management and quality improvement. Participation from each physician is also vital. It is very important that you report incidents as soon as possible to make sure they are covered. Any incident that is reported while the policy is in effect will be covered, regardless of when the claim is filed.

VISTA quality improvement/risk management personnel and our team of medical directors are always available to talk you through a difficult situation. Our QI/RM team is comprised of a registered nurse, a board certified locum tenens physician, a physician practice owner, and a residency program director. They bring experience to VISTA in Q.I. processes, what it's like to work as a locum tenens, the challenges of owning and staffing a practice, and the issues important to physicians just starting their careers.

The team collects evaluations on each assignment from both clients and physicians to review how well everyone performed their responsibilities, including VISTA.

The team also oversees VISTA's Peer Review Committee whose purpose is to analyze all adverse outcomes and the parties involved. This process is important because it allows candid and honest discussions that help improve our ability to make great matches between physicians and practice settings.

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VISTA Staffing Solutions also recredentials our locum tenens physicians every two years. We review their original credentialing criteria and clinical performance since becoming a locum tenens for VISTA.

***About the author:*** Mark Brouse is President and CEO of VISTA Staffing Solutions, one of the oldest and largest physician locum tenens organizations in the United States. Mark founded VISTA in 1990 with Katie Abby, COO, and Clarke Shaw, Senior Vice President. An employee-owned company, VISTA is known for the quality of the physicians we place and the strength of our credentialing, re-credentialing, and practice/skills matching processes. The company has consistently received favorable terms from top malpractice insurance carriers because of this track record for quality.