Community and Advisory Board Meetings

Spring 2021

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Agenda

1. Curi Updates
2. Health Policy News
3. Cybersecurity Update
4. COVID-19 Civil Immunity (& Other Liability Updates)

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2020 Peer Comparison—Curi

	2020	Rank	Industry Avg
Assets	$756 million	#14	$581 million
Surplus	$333 million	#14	$288 million
Gross Written Premium	$140 million	#12	$79 million
Net Written Premium	$91 million	#13	$61 million
Growth in Assets	14.3%	#3	3.9%
Growth in Surplus	-0.6%	#25	2.2%
Growth in GWP	-2.6%	#15	1.8%
Growth in NWP	1.0%	#12	-3.6%
Calendar Year Loss Ratio	86.7%	#22	84.9%
Expense Ratio	21.0%	#11	27.9%
Combined Ratio	107.7%	#16	116.9%

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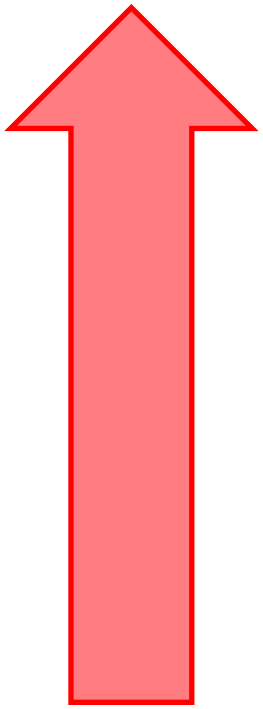
MPL Market Trends

- Combined ratio
- Number of Suits
- Severity
- Indemnity
- Defense Costs
- Reinsurance cost
- MPL Premiums



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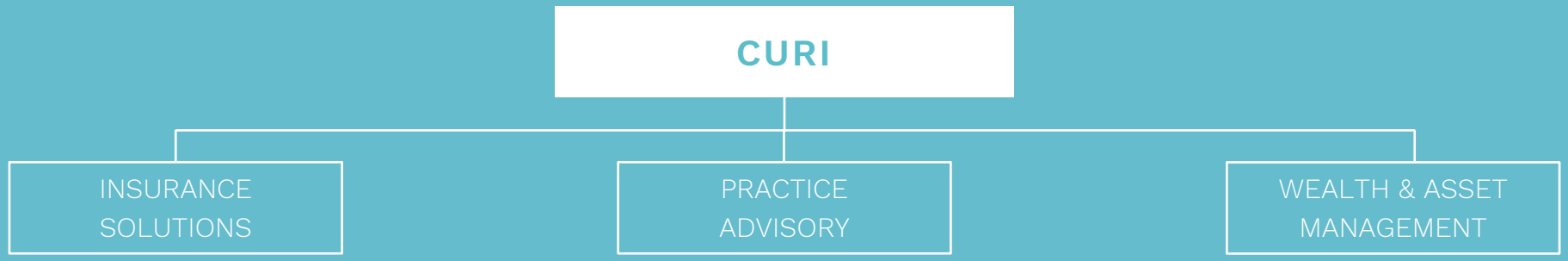
YOUR COMPANY

We're here to serve you. Always.



Our products and services are built to help you and your practice—from insurance and investments to business services and emotional and physical wellness.

By staying curious about you, we're able to build the best solutions to meet your needs—now and well into the future.

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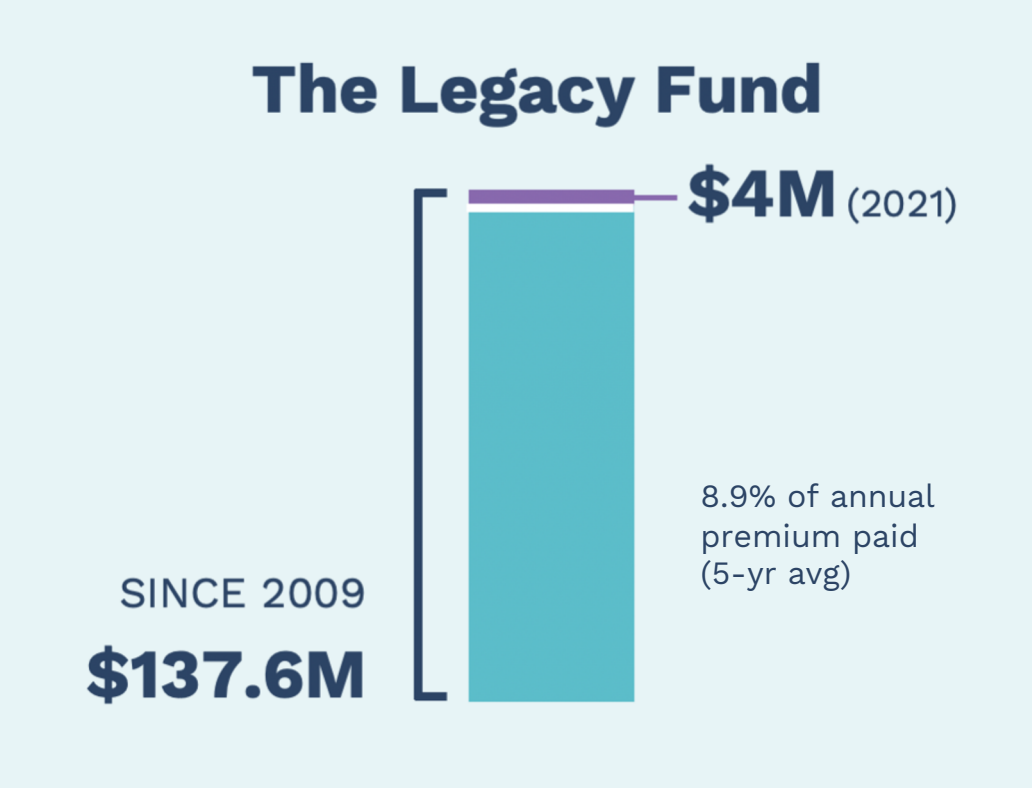
Dividends & Legacy Fund



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CURI ADVISORY

We curate business solutions to help you thrive and prosper.

Every year, operating a medical practice seems to get more challenging. Your main focus is your patients. Curi's main focus is you. With more than four decades of physician input, we know what it takes to keep your practice running strong. You tell us your problem—we'll source the best solutions.

Curi Advisory Specialties:

- Strategic guidance
- Operational expertise
- Financial analysis
- Payor contract negotiations
- Data and analytics
- Reputation management

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Curi Advisory Questions

1. What three management tasks take the most of your time?
2. If you outsource any management or operational services, which of these are you still not satisfied that they are bringing maximum value?
3. Would you consider using an outside advisory firm to minimize operational expenses or improve revenue?
4. What unmet needs do you have today for which you cannot find help because either cost effective, or accessible solutions don't currently exist?

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COVID-19 Deferred Premium (CDP)

- Suspended all premium invoicing & automatic bank drafts from March 23, 2020 – June 30, 2020.
- All delayed premiums were combined into a separate balance know as CDP.
- CDP balance were billed over a 12-month period beginning July 1, 2020 through June 30, 2021.
- CDP must be paid by check or through our portal: https://fcb.billeriq.com/ebpp/curi/

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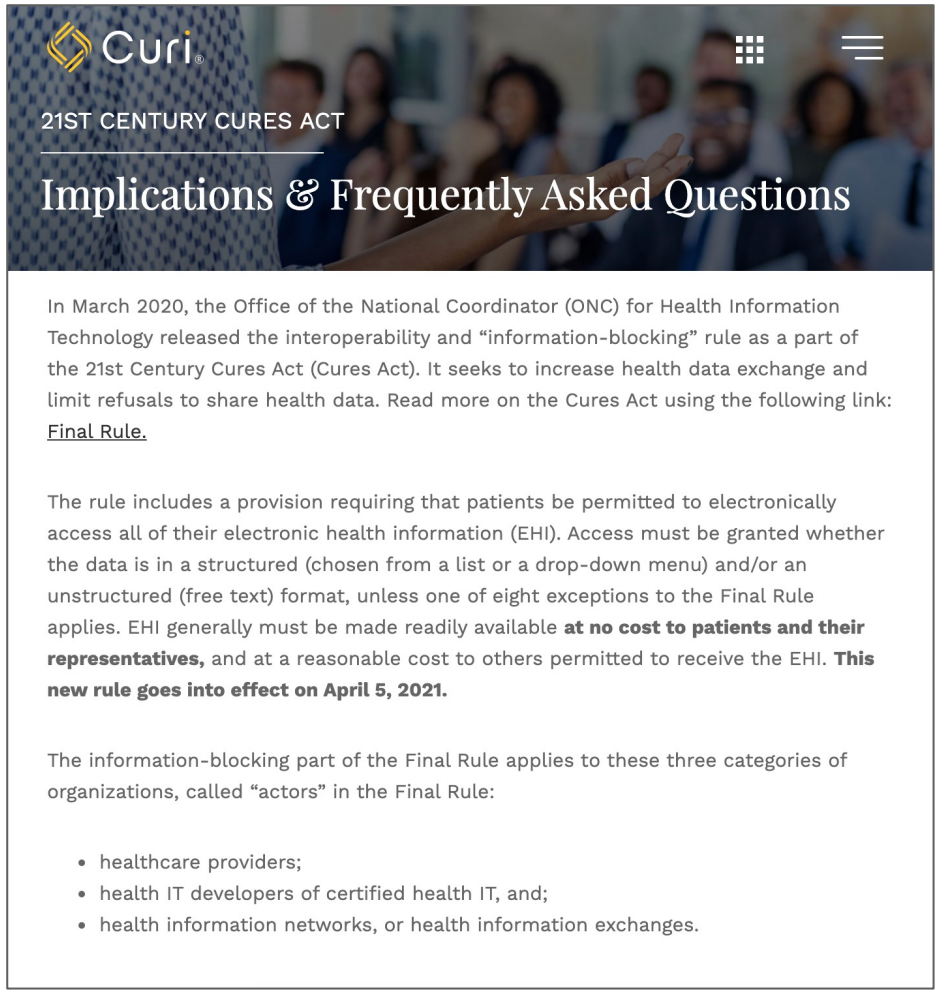
Interoperability & "Information Blocking" Rule

- Implements 21st Century CURES Act requirements
- New effective date: April 5
- Basic rule: Electronic Health Information must be made readily available in a timely manner at no cost to patients and their representatives (& reasonable cost to other permitted recipients)
- Penalties for engaging in activities considered "information blocking," unless an exception applies (8 exceptions)
- Curi resource: www.curi.com/cures-act



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Telehealth—A Pathway Forward

Short Term

- Waiver of many Medicare requirements
- Able to bill for more services
- 2021 Physician Fee Schedule codified some changes

Medium Term

- MedPAC: extend provisions & study for limited time (one or two years)
- Substitution or add-on?

Long Term

- Congressional action to expand telehealth
- Telehealth parity legislation?
  - State action likely before federal action

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Ongoing Federal Financial Support

- Temporary suspension of sequestration cuts
  - 2% Medicare FFS increase
  - Expires March 31, 2021, unless extended
- $3 billion added to Medicare Physician Fee Schedule
  - Will prevent cuts to certain specialties
- Provider Relief Fund reporting requirements
  - Portal open for registration
  - Deadlines not yet established
  - https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/reporting-auditing/index.html

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National Cyber Security Alliance Guidance

- First call to action: Do not allow continued use of ***Windows 7*** (83% of imaging devices run on outdated operating systems like Windows 7); get rid of old legacy systems
- Second call to action: People need to be trained in technology, to be sure that they understand what to do to avoid being hacked and what to do during a potential hack
- Third call to action: Make sure whatever third-party vendors you're dealing with have just as robust a security policy as you have for yourself
  - Robust passwords
  - Multi-factor authentication
  - **Current Curi approved BAAs with all vendors who touch PHI**

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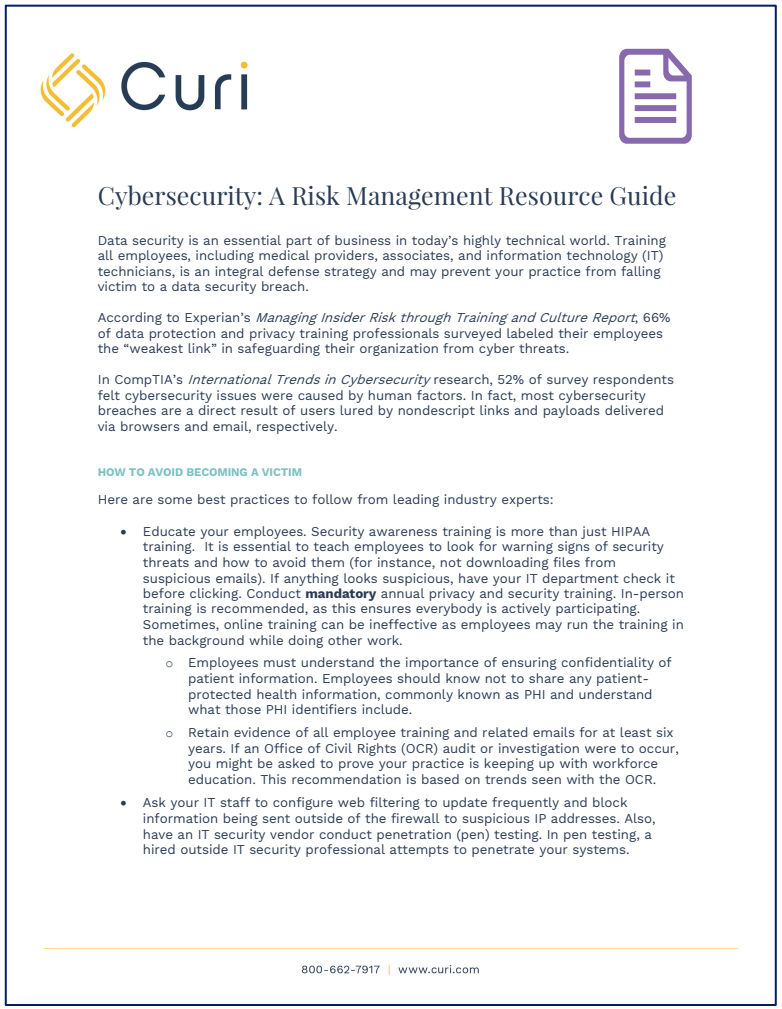
Cybersecurity Resource Guide

- How to Avoid Becoming a Victim
- Phishing Quiz
- If You Are Attacked
- Lessons Learned from a Cyber Event
- Steps During a Crisis
- Post-Crisis Steps
- Checklist for the First 24 Hours Following a Breach



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Cybersecurity: A Risk Management Resource Guide

Data security is an essential part of business in today's highly technical world. Training all employees, including medical providers, associates, and information technology (IT) technicians, is an integral defense strategy and may prevent your practice from falling victim to a data security breach.

According to Experian's *Managing Insider Risk through Training and Culture Report*, 66% of data protection and privacy training professionals surveyed labeled their employees the "weakest link" in safeguarding their organization from cyber threats.

In CompTIA's *International Trends in Cybersecurity* research, 52% of survey respondents felt cybersecurity issues were caused by human factors. In fact, most cybersecurity breaches are a direct result of users lured by nondescript links and payloads delivered via browsers and email, respectively.

HOW TO AVOID BECOMING A VICTIM

Here are some best practices to follow from leading industry experts:

- Educate your employees. Security awareness training is more than just HIPAA training. It is essential to teach employees to look for warning signs of security threats and how to avoid them (for instance, not downloading files from suspicious emails). If anything looks suspicious, have your IT department check it before clicking. Conduct **mandatory** annual privacy and security training. In-person training is recommended, as this ensures everybody is actively participating. Sometimes, online training can be ineffective as employees may run the training in the background while doing other work.
    - Employees must understand the importance of ensuring confidentiality of patient information. Employees should know not to share any patient-protected health information, commonly known as PHI and understand what those PHI identifiers include.
    - Retain evidence of all employee training and related emails for at least six years. If an Office of Civil Rights (OCR) audit or investigation were to occur, you might be asked to prove your practice is keeping up with workforce education. This recommendation is based on trends seen with the OCR.
- Ask your IT staff to configure web filtering to update frequently and block information being sent outside of the firewall to suspicious IP addresses. Also, have an IT security vendor conduct penetration (pen) testing. In pen testing, a hired outside IT security professional attempts to penetrate your systems.

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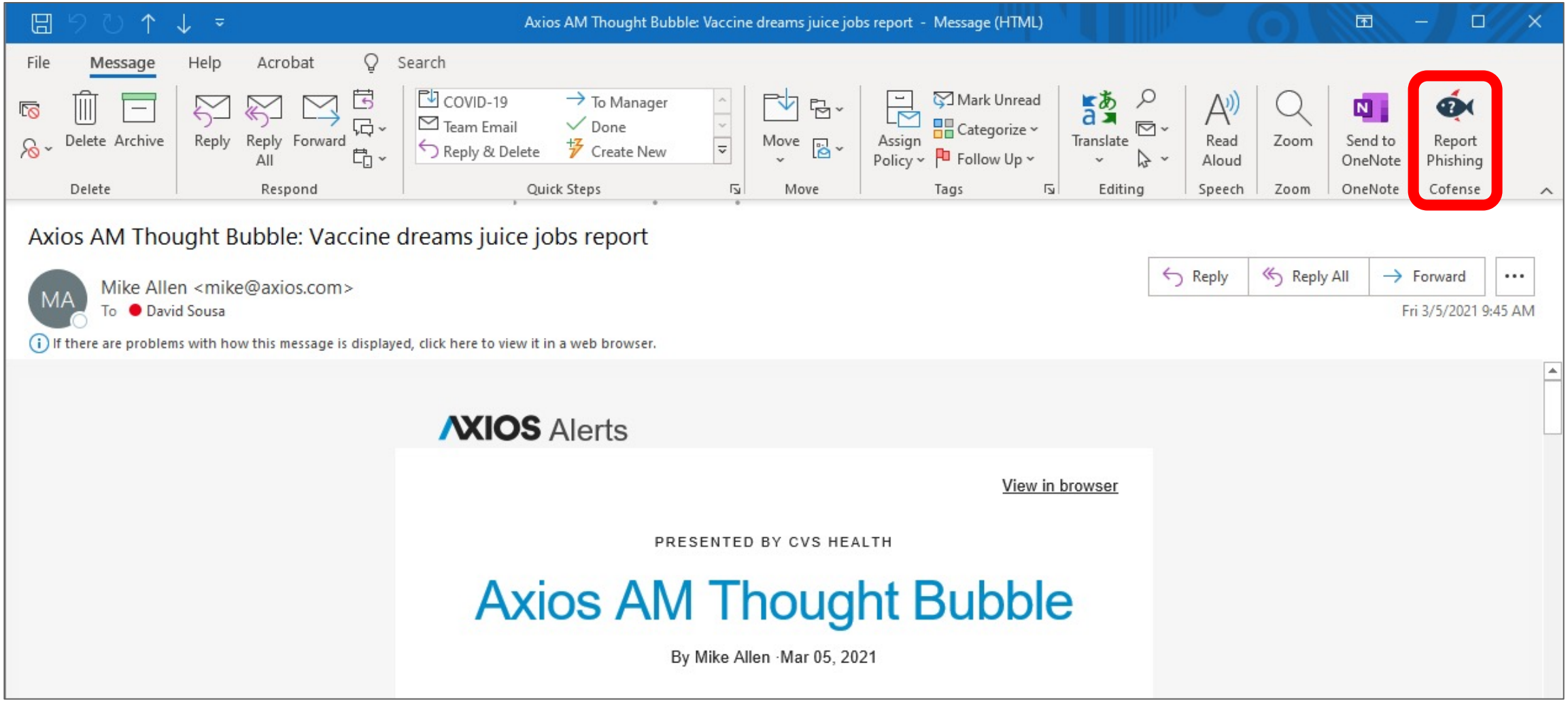
One Source/Cofense Resources



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Available Now

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NJ—2 Forms of Protections for Healthcare Heroes

- **P.L 2020, c.18 (4/14/2020)**—Provides civil liability immunity to healthcare professionals and medical facilities for:
  - Injury or death from an act or omission in course of providing medical services in support of COVID-19 outbreak pursuant to the governor's public health emergency and state of emergency declarations
  - Telemedicine services and treating patients outside the medical professional's scope of practice
  - Exceptions for acts or omissions constituting a crime, actual fraud, actual malice, gross negligence, recklessness, or willful misconduct
  - Authorizes temporary reinstatement and recertification of certain professional certifications

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NJ—2 Forms of Protections for Healthcare Heroes

- **E.O. No. 112 (4/1/2020)**—Provides civil liability immunity to healthcare professionals and medical facilities for:
  - Acts or omissions undertaken in good faith in course of providing healthcare services in support of the state's COVID-19 response, regardless of whether the care is delivered within the healthcare professional's scope of practice
  - Exceptions for acts or omissions that constitute a crime, actual fraud, actual malice, gross negligence or willful misconduct
  - Liability immunity applies to healthcare professionals licensed in the state and out-of-state healthcare professionals with a temporary license

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NJ—2 Forms of Protections for Healthcare Heroes

- Liability immunity applies to traditional healthcare facilities, any modular field treatment facility, and any other site temporarily designated as a healthcare facility by the Department of Health
- Provides process whereby retired and foreign medical professionals can obtain temporary license to assist with the COVID-19 pandemic response
- Waives scope of practice requirements for advance practice nurses and physician assistants
- Order covers any acts or omissions occurring any time during the State of Emergency or Public Health Emergency, whichever is longer

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Status of COVID-19 Civil Immunity

In Our 5 Core States:

- Blanket civil immunity for all care rendered in declared state of pandemic emergency:
  - Granted by Exec Orders in **NJ** and **VA**
  - Granted by Legislation in **NC**
- Limited civil immunity by Exec Order in **GA**
- No immunity at all in **PA**

*Some form of immunity in 20 other states (as of 11/2020): AL, AR, AZ, CA, CT, HI, IL, IN, KS, LA, MA, MD, MI, MS, NV, NY, OK, UT, VT, WI

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A National Reach (*Impact on our Tort Systems*)

- Thirty-three states and the District of Columbia (as of 3/1/2021) have enacted protections from COVID liability claims either through legislation or executive orders
  - But no changes over the five-month period (11/20–3/21) in our core states.
  - FLA added sweeping reform 3/24/21
  - NY stripped nursing homes on 3/24/2021 of immunities previously granted

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