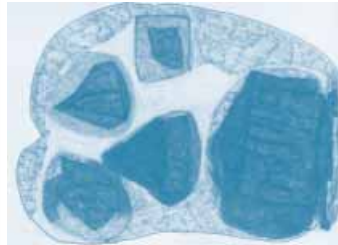
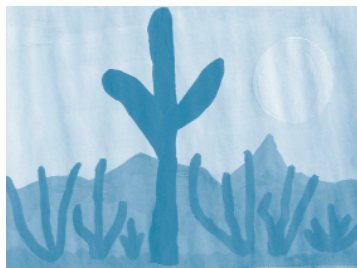


# SSCIP 'n



*"...Maximizing Safety  
and Minimizing Losses  
for Social Service  
Providers..."*

## Meet Our Members



**Arts for All, Inc. (AFA)** a not-for-profit corporation located at 2520 North Oracle Road in Tucson, has been a SSCIP Member since April 2000.

In August 1985, Marcia Berger, an innovative pediatric physical therapist, wishing to provide an after-school program in the performing arts for children with disabilities, created Third Street Kids. Third Street Kids, is a special and sole program of Arts for All, Inc. Their mission, "To provide accessible education, training, and experiences in the Arts to children, particularly those with special needs" describes them perfectly.

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# PRESIDENT'S LETTER

Dear SSCIP Members,

Involvement with an organization such as SSCIP is very rewarding. The Pool is stronger than ever, despite reinsurance pricing concerns. This year, reinsurance issues strongly impacted the Pool and individual insurance premiums. However, SSCIP, since its inception in 1987, remains a viable and a dependable market.

The first quarter of 2003 is behind us and financial audits, reflecting a financially sound Pool are completed. If you are interested in receiving a copy, the financial statements are available at the Administrator's office. The Annual Report, which is in progress, will be distributed shortly and includes a recap of the financial report.

Even though there were premium increases, SSCIP was not impacted as much as the overall industry average. As far as the 'hard' insurance market is concerned, there does not appear to be much light at the end of the tunnel, so pricing will most likely remain at this level for a while longer.

Within the next two years, SSCIP will continue to generate new approaches and innovations by utilizing technology to a greater degree. SSCIP's goal is to provide as broad and comprehensive insurance protection as possible, with an eye towards adding supplementary coverages, simplifying rating and reducing the number of forms. SSCIP will continue to contain costs as much as possible, without reducing protection or services or jeopardizing either the Pool or its Membership. Details will be forthcoming as soon as more information is available.

The Board of Trustees and I appreciate your past support and look forward to working with you and your organizations throughout the year. Let us know how SSCIP can better help your agency.

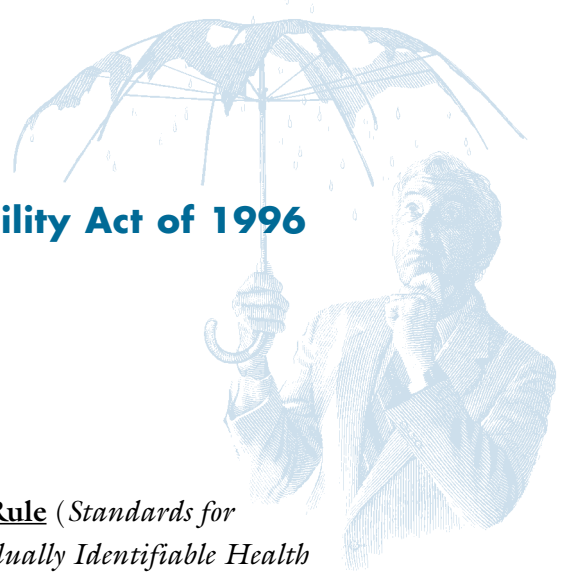
Sincerely,

A handwritten signature in cursive script that reads "Sorrel Bowman-Rogers". The signature is written in dark ink and is positioned above the printed name.

Sorrel Bowman-Rogers  
President  
SSCIP Board of Trustees

# HIPAA

## Health Insurance Portability and Accountability Act of 1996



The Health Insurance Portability and Accountability Act of 1996 (HIPAA) imposes numerous requirements concerning use and disclosure of individual health information, or protected health information. Although the portability component was implemented several years ago, the accountability component is now being addressed in the “Administrative Simplification” segment. One of the purposes of the revision is to streamline and standardize electronic filing and processing health insurance claims. Administrative simplification should save money and provide better service for providers, insurers and patients.

Within the “Administrative Simplification” segment there are three major components addressed in federal rules:

1) The **common code** sets that all medical information must be conveyed from party to party, as a means of “simplifying” what an insurance company, a medical provider and the federal government require/expect with one common set of codes.

The code set was originally passed as “Standards for Electronic Transactions” requiring implementation by October 16, 2002. However, a law was later passed allowing a one-year extension to October 16, 2003, for implementation.

2) The **Privacy Rule** (*Standards for Privacy of Individually Identifiable Health Information*), which became effective April 14, 2001, provides the first comprehensive federal protection for the privacy of health information and establishes a federal floor of safeguards to protect the confidentiality of medical information. Those State laws that provide stronger privacy protections will continue to apply over and above the new federal privacy standards.

The Privacy Rule safeguards outline who can view private health information (PHI) and what entities must do to protect the information, including tracking. Even though most entities have complied with the requirements, the target date for compliance was April 14, 2003, many questions about the implementation remain unclear. In general, the Privacy Rule requires the following activities for the average health care provider or health plan, such as:

- Providing information to patients about their privacy rights and how their information can be used.
- Adopting clear privacy procedures for its practice, hospital, or plan.
- Training employees so that they understand the privacy procedures.
- Designating an individual to be responsible for seeing that the privacy procedures are adopted and followed.

*Continued on page 4...*



- Securing patient records containing individually identifiable health information so that they are not readily available to those who do not need them.

3. The **Security Rule**, the last of the three rules to be published as a final rule, is effective April 21, 2003. Entities must comply with these rules beginning April 21, 2005, except for small health plans, which must be in compliance by April 21, 2006.

The Security Rule heightened emphasis on internal risk analysis and risk management as core elements of the security management process. In addition, cost of security measures is included as a significant factor to be considered in security decisions. This emphasis will be of particular benefit to small and rural providers, but comes with a significant caution. According to the HHS, cost factors may not be used to free covered entities from the responsibility of implementing adequate security.

General Rule Provisions require covered entities to:

- Ensure the confidentiality, integrity, and availability of all electronic protected health information (EPHI) the covered entity creates, receives, maintains, or transmits;
- Protect against any reasonably anticipated threats or hazards to the security or integrity of such information;
- Protect against any reasonably anticipated uses or disclosures of such information that are not permitted or required by the Privacy Rule; and
- Ensure compliance by its workforce.

The Security Rule's Administrative Safeguards focuses on security management process, i.e., policies and procedures designed to prevent, detect, contain, and correct security violations. There are four required implementation specifications:

1. Risk analysis
2. Risk management
3. Sanction policy
4. Information system activity review

The requirement to assign security responsibility has been clarified and now a single individual must bear this responsibility. Centers for Medicare & Medicaid Services (CMS) will continue to enforce the insurance portability requirements of HIPAA. The U. S. Department of Health & Human Services (HHS) Office for Civil Rights (OCR) will enforce the HIPAA privacy standards. CMS and OCR will work together on outreach and enforcement and on issues that touch on the responsibilities of both organizations - such as application of security standards or exception determinations.

As this subject is too complex and lengthy to cover adequately in this publication, you can contact any number of websites for complete information, including:

[www.hipaadvisory.com](http://www.hipaadvisory.com)

[www.sans.org/projects/hipaa.php](http://www.sans.org/projects/hipaa.php)

[aspe.hhs.gov/admnsimp](http://aspe.hhs.gov/admnsimp)

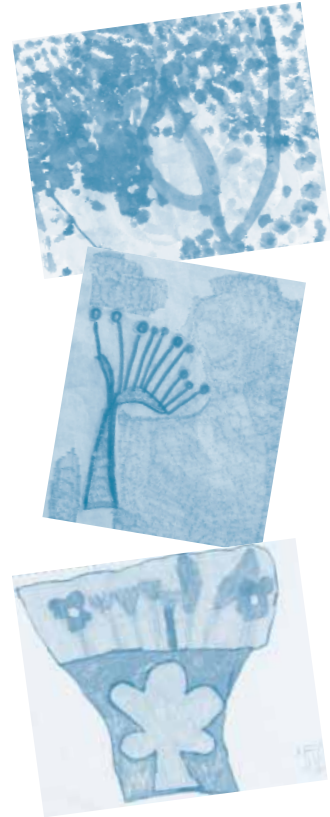
[www.cms.gov/hipaa](http://www.cms.gov/hipaa)

[www.hhs.gov/ocr/hipaa/finalmaster.html](http://www.hhs.gov/ocr/hipaa/finalmaster.html)

For persons with physical disabilities, visual limitations, hearing impairments, learning disabilities, mental retardation, emotional disturbances, mental illness, autism, and seizure disorders, AFA combines the art world with human services in a unique blend. All programs attempt to provide a quality art focus for children and youth. AFA provides disciplines to develop skills through performing and visual arts, improving the lives of children with and without disabilities. AFA offers classes in singing, language, dance, art education and drama. These programs expand and improve both motor and developmental skills including physical coordination and visual acuity.

In addition to community productions, such as “The Hobbit”, presented in early April of this year, AFA engages the services of talented instructors and teachers to inspire their students with dance, music, drama, drawing and painting. The art featured in this article is just a sample of their student’s creations.

If you are interested in seeing more of the AFA student artists’ work, or attending future productions, you may contact AFA directly at (520) 622-4100. |



# Welcome!

| Within the last few months, several new organizations joined SSCIP. The SSCIP Board of Trustees and Southwest Risk Services, Administrator, welcome the following new Members:

- ❖ Angel Society, Inc.
- ❖ Arizona Recreation Center for the Handicapped
- ❖ Community Housing Partnership
- ❖ For You, Inc.
- ❖ Karim’s Circle of Love
- ❖ DBA Quality Training & Development
- ❖ Scottsdale Foundation for the Handicapped
- ❖ UYI Development Center for Children
- ❖ Valley of the Sun School and Habilitation

SSCIP’s mission, to maximize safety and minimize losses, continues to be honored and proven. New SSCIP Members participate in a pro-active loss control program and can take advantage of vast resources specifically designed for social service organizations. |

# Show Me The Money OR NOT!



## Is money really a motivation?

The book, *Super Motivation: A Blueprint for Energizing Your Organization From Top to Bottom* by Dean Spitzer, explains how key motivators make people want to work, want to get involved, want to learn, want to achieve and improve performance.

Check out the following quiz. What matters to you?

### Scale:

- 1 - Strongly agree
- 2 - Agree
- 3 - Neutral
- 4 - Disagree
- 5 - Strongly disagree

- \_\_\_\_\_ 1. I work better when I am busy and have a lot to do.
- \_\_\_\_\_ 2. Work should be fun and enjoyable.
- \_\_\_\_\_ 3. I like to work on a variety of tasks during the day.
- \_\_\_\_\_ 4. I want to have input on my work and how it fits with the department's mission.
- \_\_\_\_\_ 5. If I have a personal financial stake in a project, I am more motivated to do it well.
- \_\_\_\_\_ 6. I prefer to make my own choices about how I complete a task rather than being told exactly what to do.
- \_\_\_\_\_ 7. I like to work on every aspect of a project, not just bits and pieces.
- \_\_\_\_\_ 8. I like to take the lead and direct a project on my own.
- \_\_\_\_\_ 9. I enjoy working with others more than working alone.
- \_\_\_\_\_ 10. Teams offer the best opportunity to do interesting, rewarding work.
- \_\_\_\_\_ 11. I work better on projects that utilize my strongest skills.
- \_\_\_\_\_ 12. Every time I start a new project, I hope to learn something new.
- \_\_\_\_\_ 13. Mistakes should be seen as learning opportunities.
- \_\_\_\_\_ 14. I like having my performance measured so that I can assess my progress.
- \_\_\_\_\_ 15. I regularly set goals for myself and track my performance toward them.
- \_\_\_\_\_ 16. I am always looking for ways to improve my performance.
- \_\_\_\_\_ 17. The bigger the challenge, the harder I try.
- \_\_\_\_\_ 18. I work better if I know my supervisor believes in my abilities.
- \_\_\_\_\_ 19. Employees should be openly appreciated for their contributions to the company.
- \_\_\_\_\_ 20. It is hard to get motivated for work that seems unimportant.

You may find it interesting to see that you are motivated by many other things than just the money.

*Based on an article appearing in "WorkingSmart", published by National Institute of Business Management*



# ON THE BOARD

The SSCIP Board of Trustees conducted its quarterly meeting December 11, 2002, at the Wyndham Airport Hotel in Phoenix, with the following action items addressed:

- ◆ Underwriting criteria was reviewed and approved.
- ◆ An update on the current reinsurance situation was provided by the Administrator.
- ◆ Due to a staffing change and unfavorable references for the current actuary, a recommendation was made and approved to change to Regnier Consulting Group to conduct the actuarial audit for 2002.
- ◆ The Board approved continuing with current financial auditor, Gilbert Associates, Inc. and to renegotiate the contract.
- ◆ Safe driver videos are now provided to Members in either English or Spanish.
- ◆ To fill a vacant Trustee position, the Nominating Committee requested a brief biography from potential candidates.
- ◆ The Chairperson for the Marketing Committee outlined the October 2002 seminar, *Hassles with Hiring*, presented by the Law Firm of Lewis & Roca.

The next scheduled Board of Trustees meeting is:

10:30 a.m., Wednesday, June 11, 2003 at:

Wyndham Phoenix Airport  
427 North 44th Street  
Phoenix, Arizona

*Notable Quote*  
"The artist is nothing without the gift, but the gift is nothing without work."

...Emile Zola



# IDENTITY THEFT

Arizona had the 3rd highest rate of identity theft in the nation with 88 victims for every 100,000 people. The District of Columbia had the highest rate at 123 victims and California followed with 91 victims for every 100,000 people.

Although this subject has been covered in previous issues of this publication, identity theft continues to be a growing problem and according to the Federal Trade Commission (FTC), is soaring. Approximately 43% of 380,000 consumer fraud complaints in 2002 involved stealing someone's personal information, such as credit card or social security number. Identity theft complaints nearly doubled from 2001 to 2002.

Identity theft will cost the average victim more than \$1,000 in expenses to cope with damage to their accounts and reputations. Of the total complaints received, 42% involved credit card fraud.

Online transactions, advertising or promotions make up about half of all other types of fraud complaints. Some of the rise in complaints can be attributed to the fact that the FTC began promoting a dedicated web site and toll-free phone number for victims. Other major categories involved fraudulent bank and cell phone accounts.

## WHAT TO DO:

- Check your credit reports twice a year
- Shred personal documents before throwing them away
- Clean your wallet of old receipts and printed Social Security Numbers

*Based on an article appearing in "Safety Currents", February 2003 Issue*

*If fate throws a  
knife at you  
there are two  
ways to catch it:  
by the blade or  
by the handle.*

*...Oriental  
Proverb*



# PAL ATTORNEY RECEIVES HIGH HONOR

Richard S. Cohen, of the Phoenix law firm of Lewis and Roca, has been voted by his peers as being one of the Best Lawyers in America in the area of Labor and Employment Law. Mr. Cohen's name will be included in the 2003-2004 edition of the *Best Lawyers In America* book, which lists attorneys in 27 different areas of practice throughout all 50 states plus Washington, D.C.

Along with several other attorneys at Lewis and Roca, Mr. Cohen handles the defense of SSCIP members involved in employment and labor-related lawsuits. He also assisted in setting up the SSCIP Personal Assistance Lifeline (PAL), which provides a limited amount of free legal advice for Pool members carrying Directors and Officers coverage through the Pool.

Mr. Cohen received his law degree, with honors, from Georgetown University in 1971. He has experience in every aspect

of employment law, having defended cases at the administrative, trial and appellate levels. He has served as Co-Chairman of the Arizona Fair Employment Practices Committee and as an Arizona College of Trial Advocacy faculty member. In 1991, Mr. Cohen became Arizona's first appointee to the National Council for Excellence in Government.

Only a small number of Arizona Labor and Employment attorneys were selected to be listed in the upcoming edition of *Best Lawyers In America*, which has been published every other year since 1983. Lawyers are not allowed to pay a fee in order to be listed in the book. Rather, the book's attorney listings are based on hundreds of thousands of detailed evaluations of lawyers that are completed by other attorneys in the same field of practice.

SSCIP is indeed fortunate to have attorneys of Mr. Cohen's caliber handling Member's employment related legal issues. The SSCIP Board of Trustees and Southwest Risk Services congratulate Mr. Cohen and appreciate his contribution for the betterment of the SSCIP program.

*Procrastination  
is the art of  
keeping up  
with yesterday.*

*...Don Marquis*



# COMMERCIAL DRIVER'S LICENSE/CDL

Drivers operating vans transporting 15 or more passengers are required to hold a Commercial Driver's License (CDL). There are new rules affecting CDL drivers that could result in disqualification and suspension from operating a Commercial Motor Vehicle (CMV).

For instance, drivers can be disqualified or suspended if they receive two speeding tickets within three-year period.

Last September new provisions in the U.S. Department of Transportation's Federal Motor Carrier Safety Administration regulations included the following disqualifying offenses:

- ◆ Disqualification for driving while suspended, disqualified, or causing a fatality.
- ◆ Emergency disqualification of drivers posing an imminent hazard.
- ◆ Expanded definition of serious traffic violations.
- ◆ Extended driver record check.
- ◆ New notification requirements.
- ◆ Masking prohibition.
- ◆ Disqualification for violations obtained while driving a noncommercial motor vehicle.

Serious traffic violations now include:

- ◆ Driving a Commercial Motor Vehicle (CMV) without obtaining a Commercial Driver's License (CDL).
- ◆ Driving a CMV without a CDL in the driver's possession.
- ◆ Driving a CMV without the proper CDL and/or endorsement.

Disqualification can result if a driver is convicted two or more times within a three-year period.

There are other driving offenses that can occur while operating ANY vehicle. These can also threaten Commercial Driver's License privileges.

For more information regarding Commercial Driver's License requirements and rules and regulations affecting the inherent CDL driving privileges, you can contact SWRS Loss Control, contact either Bill Fox or Larry Prather, SWRS Loss Control Department, at 602-996-8810. |



# 2003 Stella Award

The “Stella Award” is named after 81-year old Stella Lieback who spilled her coffee on herself and successfully sued McDonalds. That case inspired the annual Stella Awards for the most uniquely successful lawsuits in the United States.

This year, one of the more promising candidates for a Stella Award is the gentleman from Oklahoma City, Oklahoma who purchased a brand new 32-foot motor home. On his first trip home, having driven onto the freeway, he set the cruise control at 70 mph and calmly left the driver’s seat to go into the back to make himself a cup of coffee. Not surprisingly, the RV left the freeway, crashed and overturned. The man sued the manufacturer for not advising him in the owner’s manual that, while on cruise control, the vehicle was unable to drive itself and he couldn’t leave the driver’s seat. The jury not only awarded him \$1,750,000, he also got a new motor home.

The company changed their manuals on the basis of this suit, in case there are other persons with no common sense buying their recreation vehicles.

## LITTLE KNOWN

## Facts



- Apples, not caffeine, are more efficient at waking you up in the morning.
- People do not get sick from cold weather; it’s from being indoors a lot more.
- The average person over fifty will have spent five years waiting in lines.

# SSCIP BOARD OF TRUSTEES

<b>Sorrel Bowman-Rogers</b>	<b>President</b> Family Service Agency
<b>Donna Noriega</b>	<b>Vice President</b> AZ Supreme Court/Juvenile Justice Division
<b>Alice McLain</b>	<b>Secretary/Treasurer</b> AZ Dept. of Economic Security
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<b>Rita Schmidt</b>	AZ DES/ACYF
<b>Dolores Zimmerman</b>	Intermountain Centers for Human Development, Inc.



Social Service Contractors Indemnity Pool (SSCIP) newsletter is published quarterly by the Pool's Administrator:

**SOUTHWEST RISK SERVICES**  
4835 East Cactus Road, Suite 360  
Scottsdale, Arizona 85254-3543  
Telephone (602) 996-8810  
Fax (602) 996-9045

SSCIP is a non-profit corporation created in 1986. Its primary purpose is to provide property and casualty coverages to social service providers contracted with the State of Arizona and other political subdivisions.

SSCIP is governed by a 15 member Board of Trustees elected by its members. The newsletter is published in a continuous effort to inform and educate its members. Suggestions for articles are welcome.

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**SOCIAL SERVICE CONTRACTORS INDEMNITY POOL**

**SOUTHWEST RISK SERVICES**  
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