



THE QUANTUM GROUP

An Informative Monthly Newsletter brought to you by The Quantum Group of Companies

Cube Talk



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Cube Talk is an enlightening monthly newsletter created to share the latest healthcare industry information and Company developments with the healthcare providers, investors, partners and friends of The Quantum Group of Companies.

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Industry Observations by Noel J. Guillama, President & CEO

"Hold on to your hat Fred"

The quote above comes from a famous "country philosopher" Jerry Reed in the movie *Smoky and the Bandit*. I use that quote to highlight the perfect storm facing every segment of the healthcare industry, as well as the impact to the entire US economy. We are on the verge of a near breakdown in this industry as we transition from 20th century to 21st century systems, processes and technology. Most industries made that transformation a decade ago; not healthcare. The healthcare industry should be prepared to lead, adapt or get out of the way as this change must happen. With a contracting economy it is likely that healthcare is one of just a few industries still growing. Alan Greenspan predicted an "Age of Turbulence." From the Quantum perspective, we see what is going to happen inside the healthcare industry and the effect on the US economy to be relatable to the impact of a tsunami. Clearly, that impact will be more than just turbulent.

We observe every segment of healthcare from the single practitioner to multi-billion dollar insurance companies needing to change the way they do business. Change will happen. To survive, each will have to adapt and evolve to 21st century practices.



*The Quantum Group, Inc.
Recent Announcements*

The Quantum Group Announces
Increased Patient Enrollment
Following Medicare Advantage
Open Enrollment Period
April 3, 2008

The Quantum Group Extends
CEO's Employment Agreement
March 28, 2008

The Quantum Group Announces
1st Quarter Financial Results
for Fiscal Year 2008
March 18, 2008

The Quantum Group Announces
Strategic Technology Alliance
February 26, 2008

Disability Insurance:

Why Physicians Need It and How It Works

Brought to you by The Quantum Agency

The foundation of a well established financial plan is income. Disability insurance policies can guarantee the continued flow of income. The first reason physicians should have disability insurance is to ensure there is income to pay personal bills in the event he or she can not see patients due to their own illness or injury. *A personal disability policy* will provide current income to maintain personal finances.

In addition to personal coverage, physicians must consider disability insurance to cover their medical practice, employees and contractual obligations. This disability policy is known as an *Overhead Expense Policy*. This policy is designed to cover practice expenses, including [Cont'd pg 2](#)



Disability Insurance

(Cont'd from pg 1)

rent, equipment loans, utilities and other essentials needed for daily operations. Furthermore, if the physician does not generate income while sick or injured, the *Overhead Expense Policy* makes it possible for physicians to continue paying their employees. Physicians can also cover the cost of hiring another practitioner to provide quality care for their patients.

When purchasing disability insurance, the first thing to consider is the strength of the company providing the policy, particularly the company's financial state. A strong company ensures that it will have the money to pay if a claim arises.

Most disability insurance policies have an elimination period, which is the length of

time one is disabled before the policy starts paying benefits. Thus, the physician should decide how many months they are able live without an income. For *personal disability insurance*, the elimination periods could be ninety days, six months, or even one year. Like car insurance policies, the longer the elimination period, the lower the cost of the policy.

Next, the physician needs to decide the amount of benefit required. The benefit amount should be equivalent to the money needed each month to meet financial obligations. Both policies require proof of expenses which can easily be obtained from an accountant. Then the length of the benefit period must be

decided. The *Overhead Expense Policy* only has a two year duration period. In contrast, benefit periods for *personal disability insurance* can be for two, three, or five years or until you reach age sixty-five. At first many will jump to make their benefit period for as long as they are disabled; however, remember, the longer the length of the benefit period, the higher the cost.

Disability insurance policies offer different types of riders which are amendments to policies that add or delete certain coverages. The purchase of a policy is like buying a car. There is the choice of adding the sunroof, navigation system, and limited edition leather, or just getting the basic model

without the upgrades. The more options added, the more the premium increases. A representative of The Quantum Agency can explain the options available to best fit the needs of the physician and the physician decides what to add or delete from the policy.

In summary, the elimination period, amount of benefit and length of time the benefit will be paid are the most critical decisions made when obtaining disability insurance.



For more information about disability insurance, please contact The Quantum Agency at 877-634-6748.

"As More Of Our Health Records Move Online, Privacy Concerns Grow"

Excerpt from
MarketWatch.com
By Kristen Gerencher
March 26, 2008

"A host of big-name companies is launching initiatives aimed at helping people take control of their personal healthcare information and making it more useful to them.

"These developments may be good news for consumers looking to collect, store and selectively share their healthcare information in a digital format,

coordinate records with their doctors or enter medical questions into an intuitive online search query.

"But the elephant in the room is privacy. Consumers who enter sensitive medical information into a PHR want assurance that their data won't be exposed in a way that embarrasses them or, worse, hurts their ability to secure a job or health insurance. Despite many companies' promises and some state laws that set additional privacy standards, there are more questions than

answers when it comes to protecting consumers' PHRs, legal experts say.

"The potential problem: Many of the companies offering PHRs aren't covered by a federal law called the Health Insurance Portability and Accountability Act of 1996, known as HIPAA, which covers information traded between healthcare providers, health insurers and clearinghouses involved in processing payments, said Kevin Lyles, a partner in the healthcare practice of law firm Jones Day's

in Columbus, Ohio.

"The law has yet to catch up with changes in how patients can use their health information, Lyles said. 'There's a bill pending in Congress to expand the reach of HIPAA to cover all health information. That's probably where we will go to eventually if we get to a world where all health information is online and shooting around and you don't know who has it because people do want their information protected.'"





Grading Physician Performance

Leading health plans have recently begun to measure physician performance through report cards or tier rankings that guide consumers in their healthcare decision making. Physicians have great concerns with regard to the way these public ratings are being determined. Reed Abelson of *The New York Times* reported that, "Doctors complain that the health plans have focused too much on cost, without regard to the quality of care

physicians actually provide, and that the rankings are often inaccurate."

With many in disagreement as to how physicians should be measured, the Consumer-Purchaser Disclosure Project spearheaded an agreement to create national guidelines for measuring and reporting physician performance to consumers. The Patient Charter for Physician Performance Measurement, Reporting, and Tiering Programs announced

on April 1, 2008, will address the concerns of doctors while enhancing the information made available to consumers. According to the Consumer-Purchaser Disclosure Project, the Patient Charter will be focused on both quality and cost. The measurement process will be developed using input from consumers, physicians and national standards to ensure reliable and useful information.

This agreement among

consumer, employer and labor organizations, physician groups such as the American Medical Association and health insurers including Aetna, UnitedHealthcare and CIGNA also allows for reviews by independent organizations. Furthermore, the charter will have guidelines on how the information should be used, which will, in the words of Quantum, empower patients and enable providers to improve the quality of care.



Harris Corporation Teams with HHS

On March 20, 2008, Harris Corporation announced their contract with the U.S. Department of Health and Human Services (HHS) to develop the National Health Information Exchange Gateway. The contract, according to *Florida Today* writer Scott Blake, was the first to be acquired under Harris Healthcare Solutions, a company initiative to increase business in healthcare information technology. The Gateway will allow federal healthcare agencies and providers to share patient information.

Harris will create a Gateway Core Services software that will need to be downloaded by providers for access to the National Health Information Network. The company will also provide a Software Development Kit that will enable customization.

The Gateway Exchange will draw on technology from the Cancer Biomedical Informatics Grid used by the National Cancer Institute, who has been a Harris Corporation client for 30 years. This technology will be integrated with the technology of the Bi-directional

Health Information Exchange that is currently used by the Department of Defense and the Department of Veterans Affairs to communicate medical information.

The system will initially connect government healthcare providers including the Department of Defense and Social Security Administration. Some time thereafter, the core components will be deployed for public use. According to Harris, the system essentially will be a "World Wide Web for healthcare information exchange among providers of

all specialties and sizes." Jim Traficant, Vice President of Harris Healthcare Solutions stated, "Too many people die in the U.S. each year as a result of medical errors, and more than 30 percent of today's crippling healthcare costs are tied to overhead activities such as moving paperwork around. The Gateway offers the next generation of capabilities in providing immediate access to vital medical information. It will be a valuable tool for saving lives and reducing costs by sharing and managing information."



*"To Routinely do what has never been done
and to acknowledge that the impossible just takes a little longer."*

Noel J. Guillama, President and CEO
The Quantum Group, Inc.



Practice What We Preach: Rev Up the Engine

by Ron Smith, Senior Vice President Corporate Development

Your physician said “Lose a few pounds.” Okay, so the first thing you do is go on a diet, and within three weeks of starving, eating unfamiliar foods, and living on 1,200 calories, you lose the pounds. Success! Six weeks later you are back at the starting point. Was it the diet, lack of will power or what? It is obvious that the solution lies in another diet plan or a new approach.

At 6’4” my body burns 3,200+ calories and 75% of that is just to maintain my normal bodily functions. If I diet at 2,000 calories per day, I do not lose weight, however at 1,500 calories I do. Unfortunately the loss is in muscle not fat. What is the alternative? After some thought, research and talking to a physician friend, I came across the one word to solve my dilemma. *Metabolism!*

My engine (metabolism) has been slowing down, and I was not doing the right things to speed it up and lose fat. I have built up inefficiencies due to my lifestyle, age, and eating habits. My problem wasn’t exactly *what* I was eating, but *how* I was eating. I skipped breakfast, ate a lunch filled with hidden fats and sodium, overate at dinner because I waited so long to eat; ate the wrong foods to increase my metabolism; and did not get the level of calories or activity required for my age. My once finely tuned 8 cylinder engine was now burning calories with 5 cylinders focused on consuming muscle as fuel. The other 3 cylinders were converting energy into more fat!

Metabolism is the process in which your body turns food into energy. The number of

calories you burn each day is called your total energy expenditure. It is divided into three basic areas. Basal metabolic rate is the energy needed to sustain the body and its normal functions. It accounts for 66-75% of your total energy consumed daily. Food processing consumes 10% of the energy and it does not change much depending on how much you eat. Physical activity accounts for the balance of the energy consumed.

So, what influences your energy needs? Your body size and shape dictates a lot. A 6’0” male at age 45, weighing 200 lbs. burns 2,638 calories, where by comparison a female of the same age, 5’5”, weighing 135 lbs, burns 1,837 calories. The more muscle you have, the more calories needed to maintain your basal metabolism rate.

Any activity which causes you to expend more energy, build more muscle or activate your metabolism to burn more energy is good.

Diets tend to reduce your metabolism rate, not increase it. The key is to eat often (about every 3 hours), and eat small portions. Most importantly, **DO NOT SKIP BREAKFAST!!!** It gets your day going.

Finally, you have to make some changes to your current lifestyle. It does not mean a permanent diet. Change the little things which have become part of your daily routine. Focus on building healthy, flexible muscle to maintain your basic strength. Walk, lift, get moving!

Rev up your engine, add some horsepower (muscle and exercise) and increase your metabolism.



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