

Unlock the Future of Risk Management in Surgery Centers

MNASCA 2025 Annual Conference

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Gallagher

Insurance | Risk Management | Consulting

Artificial Intelligence

AI Supported Phishing Campaigns

"LLM Jacking" - your cyber word of the day

Welcome & Objectives

Evolving Healthcare Landscape

Minnesota Candor Act Update

Proactive Risk Management

Dyste Williams has joined Gallagher!



Gallagher

Insurance | Risk Management | Consulting



Commercial Insurance & Risk Management

Gallagher specializes in helping organizations optimize their total cost of risk and improve their profitability. We offer property and casualty insurance; captive and alternative risk financing; and risk management programs for healthcare organizations.



People Strategy Consulting

You and your people are at the center of all we do. Gallagher specializes in maintaining the critical link between people's wellbeing and organizational success through people strategies that deliver results.

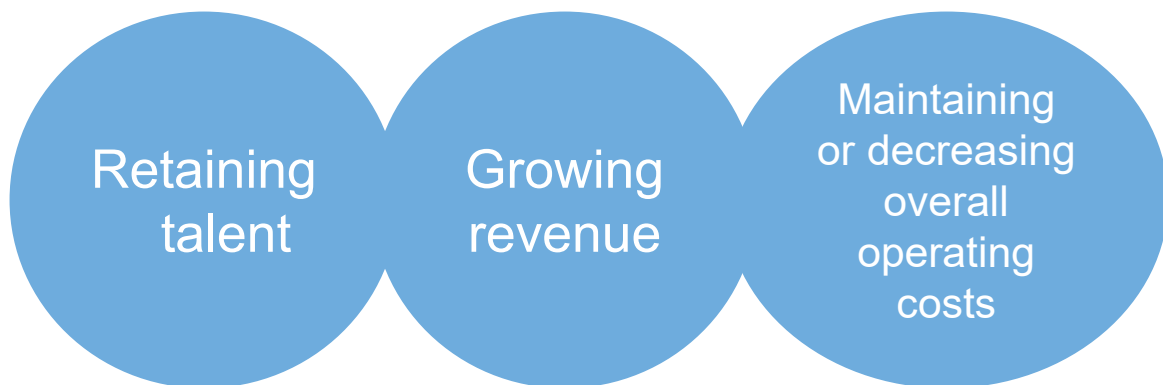
When employees enjoy their work, appreciate their benefits and feel connected, your organization thrives—boosting positivity, retention, performance and overall prosperity.



Evolving Healthcare Landscape

Retaining Your Talent

Top operational priorities



More than

1 in 3

Healthcare organizations rank creating a strong culture as a top HR priority.

81%

Healthcare leaders that are concerned about the impact of stress and burnout on their organization.

Insurance Market Ups and Downs

Property rates are starting to decrease.

Workers compensation rates are decreasing.

- **If your claim experience has been favorable, you should be getting Workers Compensation rate reductions**

Liability continues to increase, and capacity is decreasing.

- **Auto Liability, Malpractice, Excess Liability especially affected**
- **Drivers: Social Inflation, Third Party Litigation Financing**

Broader Risk Management Trends

Emerging Risk Challenges

Surgery centers face infrastructure resilience, workforce stability, and funding challenges in 2025.

Priority Risk Areas

IT security, staffing shortages, and stakeholder relations are top concerns revealed by risk maps from Minnesota organizations.

Strategic Risk Management

Healthcare industry focuses on resilience-building and strategic risk-taking supported by insurers' bundled services.

Risk Monitoring Tools

Risk registers, dashboards, and predictive analytics are essential for exposure monitoring and decision-making.



Malpractice Verdicts– Severity & Frequency

Increasing Litigation and Verdicts

The number of major malpractice verdicts has increased significantly in 2025, reflecting intensified litigation activity.

Legislative Impact on Claims

Changes in state laws, such as Pennsylvania's venue rule elimination, have driven litigation tourism and increased claims volume.

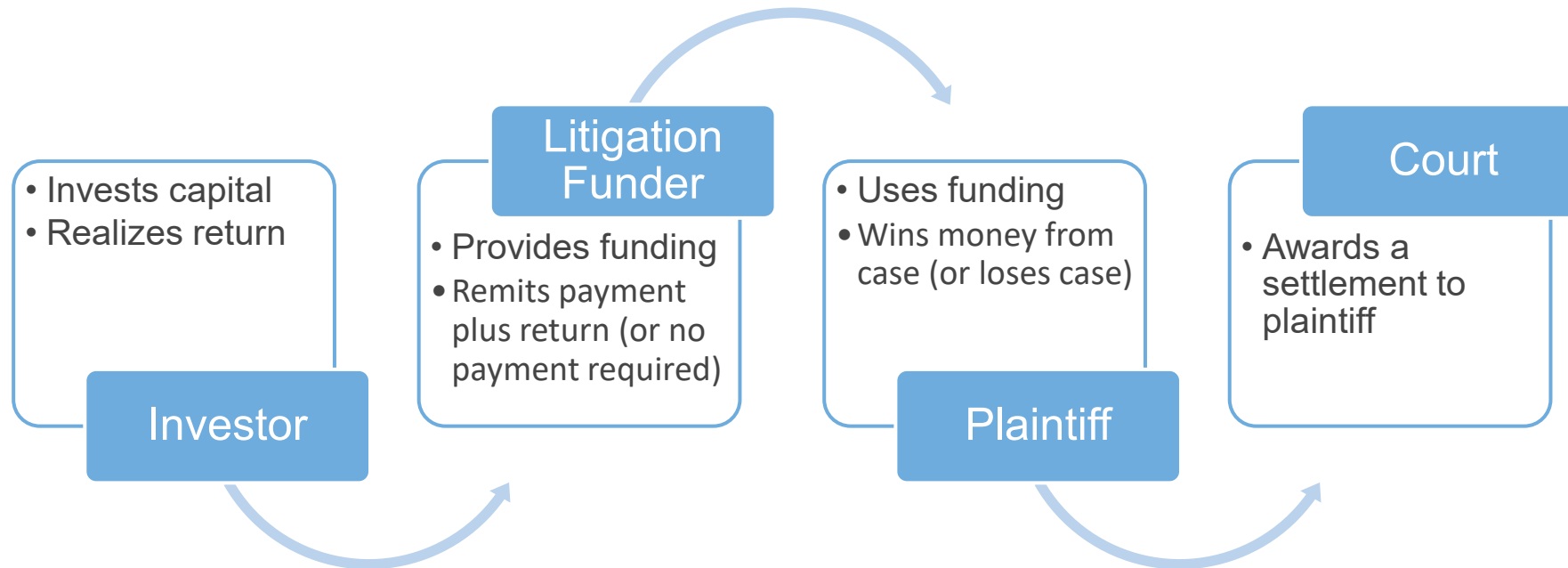
Rising Insurance Premiums

Premiums have increased between 10.5% and 16.1% across specialties due to higher claim frequency and verdict severity.

Risk Management for ASCs

Surgery centers should assess coverage including tail policies and vicarious liability to protect against evolving legal risks.

How Third-Party Litigation Funding (TPLF) Works



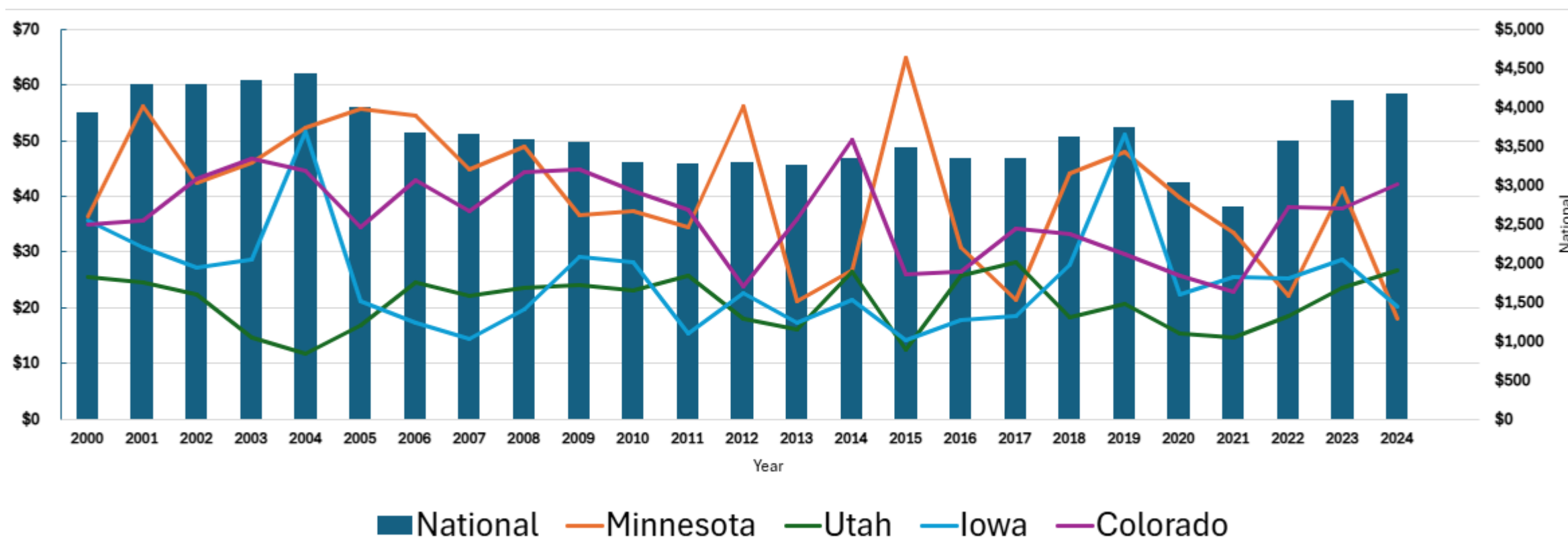
Investors of TPLF

- **Specialized Litigation Finance Firms** (e.g., Burford Capital)
- **Hedge Funds and Private Equity**
- **Institutional Investors** (pension funds, endowments)
- **Sovereign Wealth Funds** (raising national security concerns in some cases).

www.uschamber.com

Experience of Candor

Malpractice Settlements from 2000-2025 in states with CANDOR laws.



[The NPDB - Data Analysis Tool](#)

Minnesota Experience

National Practitioner Database Medical Malpractice Payment Report



Cyber Liability – The Evolving Threat Landscape

Rising Cyber Attacks

Cyber attacks increased 47% in 2025, with nearly 2,000 weekly incidents showing growing cyber risks.

Financial Impact of Cybercrime

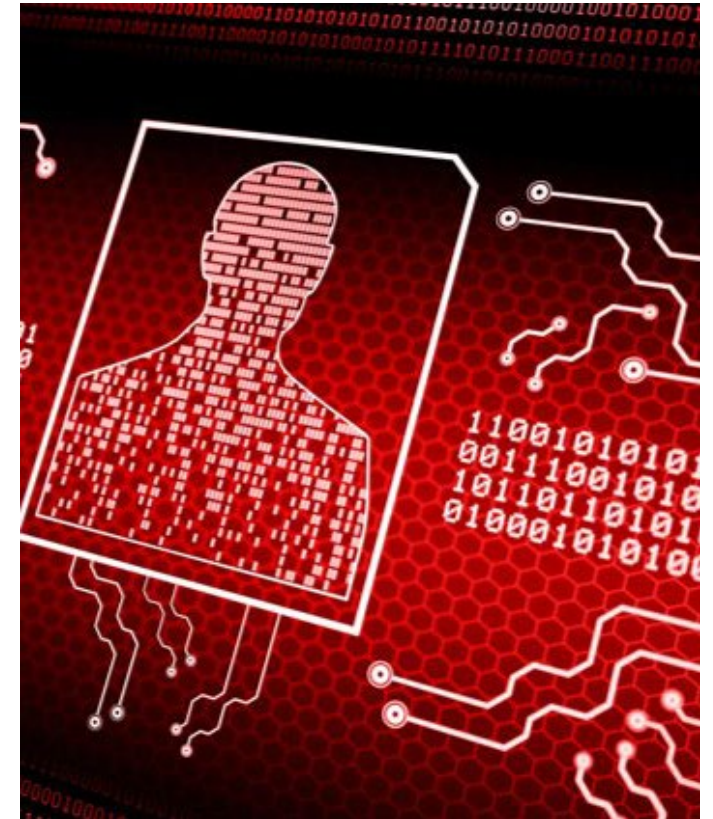
FBI reported over \$12.5 billion lost to cybercrime in 2023, emphasizing the cost of weak defenses.

Emerging Threats in Healthcare

LLM jacking and social engineering fraud threaten healthcare, requiring renewed cybersecurity focus.

Cyber Insurance Awareness

Minnesota healthcare practices increase demand for cyber insurance to counter evolving cyber risks.





**Have you experienced a
cyber breach at your
organization?**

① Start presenting to display the poll results on this slide.

slido

Please download and install the
Slido app on all computers you use



After the breach, what changed at your organization?

① Start presenting to display the poll results on this slide.

Cyber Liability –Coverage & Market Trends

Market Dynamics 2025

Cyber insurance premiums are decreasing while coverage limits are expanding between \$5M and \$15M, improving accessibility.

Opportunities for ASCs

Surgery centers can gain broader cyber protection at lower costs due to relaxed underwriting standards.

Strategic Risk Management

Healthcare administrators should collaborate with brokers to customize cyber coverage reflecting proactive risk management.

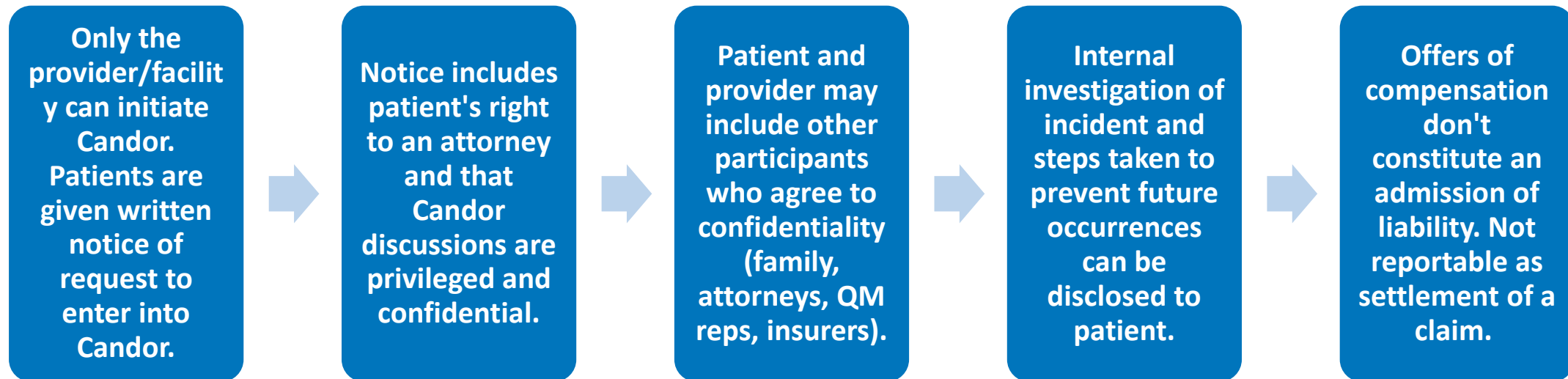


Minnesota Candor Act

Why consider Candor?

- **Early reporting culture**
- **Enhanced disclosure process**
- **Enhanced informed consent process**
- **Efficient resolution of concerns promotes healing for provider and patient**
- **No NPDB reporting, even if compensation offered**

Elements of Candor Statutes





**Has your practice used
Candor to resolve an adverse
patient outcome or
complaint?**

① Start presenting to display the poll results on this slide.

Early Challenges of Candor



**Longstanding
mistrust
between
patients'
counsel and
providers'
counsel**



**"Why do we
need a law?
Why is it so
hard for
doctors to just
speak
honestly with
their
patients?"**



**"Roadmap"
for future
litigation**



**Change in
practices for
medical
professional
liability
insurers**

MN Candor Act –Progress & Applications

Open Communication Benefits

The Act promotes transparency between healthcare providers and patients to reduce litigation and build trust.

Growing Adoption

Dental and surgical practices in Minnesota increasingly adopt Candor with physician training and communication protocols.

Risk Management Integration

Integrating Candor into risk frameworks helps transparency, lowers legal exposure, and meets insurer standards.

Patient Perspective

- **Maintained privacy**
- **Maintained relationship with the practice**
- **Learn what happened – Transparency**



Legal Perspective

"A party may move the court or other decision maker in a subsequent proceeding to adjudicate the matter to admit as evidence a communication made during an open discussion that contradicts a statement made during the proceeding.

The court or their decision maker shall allow a communication made during an open discussion that contradicts a statement made at a subsequent proceeding to adjudicate the matter into evidence

.... only if the communication made during an open discussion is material to the claims presented in the subsequent proceeding."

What?



Patient: "That isn't what the doctor said during Candor."



Doctor: "Yes, it is."



Patient: Please admit into discovery our full discussion during Candor into evidence so we can rule on the dispute of what was said during Candor.

The National Practitioner Data Bank (NPDB)

The NPDB is a confidential information clearinghouse created by Congress to improve healthcare quality, protect the public, and reduce healthcare fraud and abuse in the U.S.

[The NPDB - Home Page](#)



Cybersecurity Risks in ASCs

Increasingly vulnerable to cyber threats because of dependence on digital technologies and the sensitive patient information they handle.

Rising Cyberattack Frequency

Cyberattacks on healthcare entities surged by 47% in 2025, with nearly 2,000 incidents weekly. These attacks often target smaller, less-resourced facilities like surgery centers, which may lack enterprise-grade defenses.

Financial and Legal Fallout

The FBI reported over \$12.5 billion in cybercrime losses in 2023. For surgery centers, a breach can result in regulatory fines, lawsuits, reputational damage, and operational downtime.



**\$12.5
Billion in
Cyber
Crime
Losses**

Cybersecurity Risks in ASCs

Emerging Threats

New attack vectors such as:

- LLM jacking (exploiting AI tools),
- AI-powered phishing, and
- Medical device hijacking (e.g., infusion pumps in ICUs) are increasingly targeting healthcare environments.

IT Supply Chain Vulnerabilities

A 2024 breach of a healthcare tech provider affected 190 million people, highlighting the risks of third-party vendor dependencies.

Regulatory and Insurance Pressures

Surgery centers must comply with HIPAA and other privacy laws. Insurers now require proof of cybersecurity controls like MFA, encryption, and breach response plans to maintain or obtain coverage.

**\$12.5
Billion in
Cyber
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Top 5 Most Effective Cybersecurity Protections for ASCs

1. Conduct a Comprehensive Cyber Risk Assessment

Regularly audit systems to identify vulnerabilities, especially in EHRs, network infrastructure, and third-party integrations. Use tools like the CISA Stop Ransomware Guide or insurer-provided templates

2. Implement a Formal Breach Response Plan

Develop and routinely test a cyber incident response plan. This should include:

- Roles and responsibilities,
- Communication protocols,
- Legal and regulatory reporting steps[6]

3. Strengthen Technical Defenses

Adopt layered security measures:

- Multi-factor authentication (MFA),
- Endpoint detection and response (EDR),
- Email and collaboration tool filtering,
- Regular patch management and system updates

Top 5 Most Effective Cybersecurity Protections for ASCs

4. Train Staff on Cyber Hygiene

Human error remains a top vulnerability. Regular training on phishing, password hygiene, and secure data handling is essential. Include simulated phishing tests and mandatory refreshers.

5. Engage Cyber Insurance and Legal Counsel

Work with brokers to tailor cyber liability policies. Coverage should include breach response services, legal support, and access to IT forensics and PR firms.

Recommended Staff Training Software

Huntress <https://www.huntress.com/>

Knowbe4 <https://www.knowbe4.com/>

Phished.IO <https://phished.io/>

Controlling the Controllable . . .

Action Steps for ASCs

Cyber Risk Audit

Perform a thorough cyber risk audit to identify vulnerabilities and ensure proper coverage.

Staff Cyber Training

The first step in hardening your infrastructure is staff training.

Malpractice Coverage Review

Review malpractice limits and tail coverage amid rising verdicts and insurer guidance.

MN Candor Act Integration

Improve patient communication and reduce litigation risks by designating a internal Candor advocate to educate your team and allow for openness to engaging in Candor.

Broker Engagement

Schedule a comprehensive insurance review with your insurance consultant.



Helpful Resources

Available Resources

- Broker
- Agency for Healthcare Research and Quality
 - o [Communication and Optimal Resolution \(CANDOR\) | Agency for Healthcare Research and Quality](#)
- Staff Training Software for Cyber Resilience
 - o Huntress, Knowbe4, Phished.IO





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Thank You



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