

12th Accident Compensation Seminar 2009 Rising to the Challenge

Melbourne 22nd – 24th November 2009



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Trends in Risk Management in Medical Indemnity

Gillian Harrex, Mimi Shepherd & Ian Burningham

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Agenda

- Introduction & Background
- Risk Management in Medical Indemnity
- Measuring Effectiveness
- Industry Comparisons
- Conclusion
- Discussion

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Introduction & Background

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What are we covering here?

- Medical indemnity insurance indemnifies medical practitioners in the event that they are sued in the course of the practice of medicine
- Not considering medical indemnity offered to hospitals, other health professionals



Medical indemnity organisations

- Founded by, and operate for the benefit of, doctors
- Primary purpose to defend doctors
- Interest in ensuring that the practice of medicine can continue
- Prepared to cross subsidise ‘higher risk’ specialties for the ‘greater common good’



External environment

- Changing health services environment
 - Increasing complaints
 - Increasing litigiousness of society
 - Increased competition
 - ‘Corporatisation’ of medicine
-
- Impact on medical indemnity
 - Claims frequency and cost have increased
 - Funding ‘crisis’



Approach

- Research, including published literature and MDO/MII websites
- Interviewed local and international medical indemnity providers
- All information relating to specific organisations is based on public sources only (primarily web-based)

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Risk Management in Medical Indemnity

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Why do risk management?

- Control escalating costs
- Better patient outcomes (reduce incidents)
- Improve the practice of medicine (historical influence)



Clinical vs. Practice

- Clinical risk management
- Deals with clinical aspects of practice
- Mainly provided by Colleges.
- Practice risk management
- Deals with activities that occur ‘alongside’ the primary care of patients – e.g. communication
- Our research primarily concerned with ‘practice risk management’

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Practice risk management includes

- Education programs - seminars and on-line seminars
- Practice visits
- Online e-learning programs
- Publications

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Education programs

- Seminars & Conferences
- Case study based teaching which utilise insurers' own claim history
- Programs tend to focus on
 - Communication
 - Documentation
 - Office procedures



Practice visits

- Review and assess doctor practices in areas of
 - Communication
 - Safety procedures
 - Documentation
 - Record keeping
- Aim is to identify areas for improvement in the management of the practice

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Other areas

- Online programs
- Self assessment courses
- Online coursework and seminars
- Web-based practice/risk management ‘tips’
- Publications
- Newsletters
- Risk management ‘tips’
- Online library of articles
- Case studies and claims statistics

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Other aspects of risk management

- Compulsory or Voluntary?
- Links to professional associations
- Recognition of programs by major Colleges
- Credit for CPD
- Services to hospitals
- Discounts
- Designed to provide an incentive to participate

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Measuring Effectiveness

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Why measure?

- Gauge effectiveness of programs
- Understand impact of risk management



What's being done?

- Surprising lack of measurement currently taking place
- Reasons cited for not measuring:
 - Risk management is a 'good' thing to do and measurement is therefore of secondary importance
 - Lack of data
 - Difficult to measure
 - Poor participation records

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Impediments to measurement

- May take years for changes in behaviour to translate into better claim outcomes
- Poor records
- Members changing insurers
- Claims occurring impact vs. claims made cover
- External influences e.g. tort reform
- Normal claims volatility



Considerations for measurement

- Mix of doctors by specialty and changes over time
- Levels of participation
- Claims frequency
- Mix of claims by severity of injury
- Trends rather than absolute levels
- Reported incidents (as opposed to claims)

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Industry Comparisons

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Other industries

- Medical indemnity is not unique in its focus on providing risk management to its members/insureds
- Workers' compensation
- Other professional indemnity providers
- Health insurance
- General insurance



Workers' compensation

- Provision of insurance to injured workers is considered in the public interest
- Strong impetus to integrate risk management into the insurance process
- Attempt to influence behaviour of both insured's (employers) and workers' via
 - Occupational Health & Service (OH&S) initiatives
 - Code of practice requirements for employers
 - Advertising, information and education campaigns.



Professional associations

- Law Cover NSW
- Provide practice and risk management services
- Offer discounts on premiums in some cases.

- Guild Group
- Risk management guidance framework for each profession including online tools and regular publications.

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Health insurance

- Seek to change insured's behaviour to improve claims costs
- Meet the costs of things such as gym memberships etc
- Free on line risk assessments, publications.



General insurance

- Generally lower levels of risk management with policy holders
- Some niche insurers provide extensive support for risk management e.g. specialist engineering
- Driver education offered by some of the insurers associated with the various motor clubs
- Brokers involved in risk management for larger commercial accounts

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Conclusion & Discussion



Conclusion

- Medical indemnity organisations doing a lot in risk management to insureds
- Hard to conclude definitively whether these measures have been effective
- Measurement of effectiveness is an area for further development
- Next phase would seem to be to establish where to get the best ‘bang for buck’ in risk management area