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A national picture of medical indemnity claims in Australia 2004–05

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Foreword

A national picture of medical indemnity claims in Australia 2004–05 is the first report to present combined public and private sector medical indemnity data to give a national picture of medical indemnity claims in Australia. It arose as a result of a 2002 request by Health Ministers, who identified the potential usefulness of having information available on medical indemnity across the whole health system.

The report represents a significant step towards comprehensive medical indemnity information for the public and private sectors in Australia. A great deal of progress has been made in identifying and creating concordant data items between the public and private sector collections for this report. Progress has also been made, with valuable inputs from public and private sector data providers, in presentation of the data and accompanying explanatory notes, so that the data can be readily interpreted and used by readers.

Not all the information presented in the public sector report can be reproduced here. Differences between the public sector and private sector medical indemnity claims collections remains a limiting factor on the scope of the report at this time. Further data development work needs to occur to improve concordance and to allow a broader range of data to be presented, and the inclusion of more detailed analysis, including of trends.

This report is also currently limited by the non-presentation of information on numbers of claims. Instead it uses percentage distribution information. The Institute is keen to work with stakeholders to address this limitation whilst maintaining appropriate confidentiality of the data.

A review of the national medical indemnity information arrangements is planned for mid-2007. The review will examine the potential of the combined report, and whether it can be comprehensive and informative enough to eventually replace the separate public sector report. The Institute can be contacted for information on how to have input into this review.

The Institute will continue to work with the stakeholders, including jurisdictions and private sector medical indemnity insurers, to improve the timeliness, quality and usefulness of this report. Comments from readers are always welcome.

Penny Allbon

Director

April 2007

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Abbreviations

AHMAC	Australian Health Ministers' Advisory Council
AIHW	Australian Institute of Health and Welfare
APRA	Australian Prudential Regulatory Authority
ISA	Insurance Statistics Australia
MDO	Medical Defence Organisation
MIDWG	Medical Indemnity Data Working Group
MIIAA	Medical Indemnity Industry Association of Australia
MII	Medical Indemnity Insurer
MINC	Medical Indemnity National Collection
NCPD	National Claims and Policy Database
PSS	Premium Support Scheme
VMO	visiting medical officer

Symbols

..	not applicable
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Summary

Background

This report presents the first 12 months' data from the combined Medical Indemnity National Collection (MINC) of public and private sector medical indemnity claims. Public sector medical indemnity data have been published alone in three previous publications, for the periods January to June 2003, 2003–2004 and 2004–05. This report is the first report on medical indemnity in Australia to combine public and private sector data. The data in this report cover claims current at any time during the reporting period 1 July 2004 to 30 June 2005, that is, claims that were open at the start of the period, new claims that arose during the period, and claims finalised during the period. There is information on the incidents that give rise to claims, the medical specialties involved in claims, the people affected by these incidents, the nature of injury, and the size, outcome and length of time claims have been open.

The data presented in this report are not complete. Due to incomplete coverage of claims databases in some jurisdictions, data for approximately 85% of all public sector claims in scope are included. The private sector has reported 100% of claims in scope for this report.

This report presents data concerning claims where a formal demand for compensation for harm or other loss that allegedly resulted from a health care incident has been received by a private sector medical indemnity insurer or a public sector claim manager.

Incidents

The most common incident/allegation type leading to any claim against a clinician in 2004–05 was 'procedure' (30.5%) which includes all surgical interventions, followed by 'diagnosis' (23.6%) and 'treatment' (13.2%).

Claims

A claim is finalised when the claim is settled, a final court decision is made, or the claim is closed. 'Total claim size' is the amount agreed to be paid to the claimant in total settlement, including any interim payments, claimant legal costs and defence costs.

Over three-quarters of claims finalised in the 2004–05 financial year were finalised for less than \$100,000 (77.1%). Claims with sizes in excess of \$500,000 constituted 1.7% of all finalised claims. Neuromusculo-skeletal and movement-related functions and structures were the most commonly recorded as the primary body function/structure affected as a result of the incident for new claims (21.3%). The next most common category for new claims was mental functions and structures of the nervous system (12.2%), followed by genitourinary and reproductive functions and structures (11.0%).

People

Babies <1 year old were the subject of 3.6% of new claims, 4.7% of claims related to children, and 62.0% involved adults.