

THE ROLE OF COMMITTEES IN THE MIIAA

Identifying risky practices, complying with complex legislation and working with the medical profession to increase the safety of health care, are just some of the challenges facing the medical indemnity industry today.

To help the industry meet these challenges, the MIIAA has formed four expert advisory committees which draw on the considerable knowledge and skills within the industry to provide high level advice to the MIIAA Board.

Each of these committees will play a vital role in helping the medical indemnity industry achieve its goal of a safe and secure medical indemnity system to underpin our high quality health system. This issue of the MIIAA Newsletter looks at the activities of two of these Committees in depth. The functions of all Committees are described below.

The Technical Committee addresses the issues arising from legislative and regulatory requirements for medical indemnity insurance. Its current focus is on the Health Insurance Commission Service Agreement, relevant medical indemnity legislation, the Run Off Cover Scheme and the Premium Support Scheme. The Technical Committee is also responsible for establishing and managing a national database of information on claims which will be useful in identifying the key causes of claims and developing effective risk management strategies.



The medical indemnity industry is committed to assisting its members to reduce risk within their medical practice. Therefore, the focus of MIIAA's Risk Management Committee is to work with the Federal AMA and the medical Colleges towards a collaborative approach on risk management. For the purposes of the Committee's work, risk management has been defined in the broadest sense, including the impact of systems, clinical risk and societal issues, although the initial focus is very much on supporting the individual practitioner.

The Insurance Committee advises the MIIAA Executive on legislation and regulations affecting the operation of medical indemnity insurance. By examining these issues on an ongoing basis, the Insurance Committee

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can provide regular advice to the MIIAA Board to ensure the members of MIIAA are complying with all their regulatory obligations.

Claims management is a crucial part of the business of all providers of medical indemnity; it is also influenced by government policy and legislative requirements. Through the Claims Committee, the MIIAA seeks to ensure a collaborative approach, enabling insurers to influence the development of policy that impacts on claims.

INTRODUCING THE INSURANCE COMMITTEE

The Insurance Committee's role is to brief the MIIAA Executive on the complex legislative and regulatory obligations affecting the medical indemnity sector.

Insurance is a very highly regulated area and the medical indemnity industry is committed to complying with all regulations to the highest level. This is a particular challenge to the medical indemnity industry as, until recently, medical indemnity insurance was virtually regulation-free.

The Insurance Committee's role is to advise the MIIAA Board on legislation, regulatory requirements, standards and any other mandatory obligations applying to or affecting the provision of medical indemnity generally.

The medical indemnity industry understands that being regulated and achieving compliance at the highest level

This includes agreeing uniform claims definitions to aid statistical analysis and liaison on areas of new claims.

MIIAA's expert advisory Committees meet regularly, both via teleconference and face-to-face. The Committees have made steady progress through a wide range of issues and often undertake close consultation with Federal Government agencies. Through working closely with government and the medical profession, the MIIAA is ensuring that the best outcome is reached, meeting the needs of the community for a safe, secure and stable medical indemnity sector.

As an observer of the progress of these committees, I have been extraordinarily impressed with the collaborative approach shown by all parties. This approach is ensuring that the many complexities of the new regulatory environment are addressed so that the industry is well placed to meet the challenges of the future.

Peter Forbes - CEO, MDA National

More information about the membership and terms of reference of the MIIAA Expert Advisory Committees can be found at the MIIAA website at www.miaa.com.au

gives doctors and consumers the confidence in the industry being there to meet its obligations.

The Insurance Committee is initially addressing the following legislative and regulatory requirements:

1. Insurance Ombudsman Office-Terms of Reference and liaison;
2. Insurance Contracts Act review;
3. APRA Prudential Guideline reviews;
4. ACCC regulatory requirements;
5. International accounting standard standards as they impact on general insurance business;
6. Financial Services Reform; and
7. Relevant laws and regulations affecting corporations generally.

It is intended that the Committee may also help in the creation of 'white papers' to facilitate discussion on current or emerging issues in relation to the regulation of medical indemnity providers. This will ensure that the medical indemnity sector plays an active role in the development of the future regulatory environment.

Members of the Insurance Committee have a broad range of expertise in insurance, financial, legal and medical indemnity areas. This ensures that the Committee is able to provide informed and high level advice to the MIIAA executive.

The Insurance Committee team of Dianne Browning (Chair) from MDA National, David Brown from AMIL, Maurie Corsini from Medical Insurance Australia and Leo Santalucia from PIICA, guided by Mike McLeod CEO

of AMIL, welcome any input you may have on the issues falling within the scope of the Committee.

We would particularly appreciate early alerts and advice on changes to legislation, regulation or insurance issues to help us keep an effective watching brief on the regulatory landscape. Please do not hesitate to contact the Insurance Committee Chair, via the contact details below, if you have any questions or feedback on regulatory issues.

Dianne Browning - Chair, Insurance Committee

Contact via MIIAA Executive Officer,
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MIIAA RISK AND CLAIMS DATA TO BECOME MORE DETAILED



As part of its commitment to supporting risk management, each year the MIIAA publishes a report which brings together data from all medical indemnity insurers and outlines claims and premium experience in the preceding year. These reports can be found in the publications section of the MIIAA website: www.miaa.com.au

This year the MIIAA is expanding the data collected from its members to provide more comprehensive information to assist insurers and the medical profession to work together to address claims issues and better manage risk.

The Risk Management and Claims Committees have been developing a series of linkages between the data collected by each insurer, which will greatly increase the application of the information for medical professionals.

A stable and secure medical indemnity environment requires a clear understanding of the link between risk and claims. The expansion of the data collected should assist the profession to identify areas where work is required to address risk and reduce claims.

In the past the approach has been fairly broad, with particular specialties or procedures being identified as higher risk. In the future it will be possible to take a more sophisticated approach, including data about issues such as location of procedure, body structures affected, and cause of loss data.

The first of the more detailed reports will be published in 2006.

THE MIIAA RISK MANAGEMENT COMMITTEE – WORKING TO REDUCE RISK IN THE HEALTH SYSTEM

While Australia's health system is generally very safe, things sometimes go wrong and sometimes patients may be harmed in the process of receiving medical care. The medical indemnity insurance industry plays a vital role within the Australian health system by ensuring that both doctors and patients are protected in the event of an adverse incident.

Medical indemnity insurers (MIs) do more than just provide an efficient and effective mechanism for the management of claims. MIs are also increasingly playing a role in risk management through working with the medical profession to prevent adverse events from occurring. This will make our health system safer for everyone and, through an eventual reduction in claim costs, support the ongoing availability and affordability of indemnity insurance.

Working in risk management requires significant collaboration as the issues are too complex and system-wide for any one stakeholder to solve all the problems on their own. Collaboration is also necessary within the medical indemnity industry itself. Through the MIIAA Risk Management Committee we now have an effective forum to share our largely individual state-based data and insights into risk management. This allows us to be more consistent in our communication with the profession and to develop a national perspective on key risk management issues.

The major collaboration required is with our members and the professional medical bodies. The MIIAA is an active participant in a Risk Management Working Party with the Australian Medical Association (AMA) and the Committee of Presidents of Medical Colleges (CPMC). The current focus of that Working Party is on national risk data collection and the best way to standardize and integrate risk management into the CPD and QA programs of the professional bodies.

The MIIAA is about to release its third year of Premium and Claim Statistics. An exciting development is that the MIIAA members have just finalized the specification of a data coding structure that will allow

next year's report to include much more information about the nature of the claims and the risk management contributors.

This coding structure will provide analysis of such factors as:

- the venue where the treatment was performed;
- the claim type (for example diagnosis, medication, procedure);
- body structures affected;
- severity of injury; and
- various 'de-identified' demographics about the injured party and the practitioner involved.

The coding structure adopted will allow meaningful comparison of the medical indemnity industry data to that now being generated through the public sector Medical Indemnity National Collection (MINC) database.

This improved level of data analysis will be made available to all stakeholders and will guide strategies to improve the safety of the health system through:

- the early identification of risk areas, so that problems can be addressed quickly and any potential for damage minimised;
- identifying patterns and trends in adverse events, to enable effective responses to be developed; and
- facilitation of the assessment of the impact of risk management programs and measure their success.

We look forward to working with the profession to explore the insights that this data will no doubt provide and to assisting the professional bodies in the design and implementation of risk management initiatives that are both meaningful in the reduction of risk and practical in their application by practitioners.

Mark Valena - Chair, Risk Management Committee

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