

**Medical indemnity national
data collection
public sector
2005–06**

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2005–06**

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Abbreviations

ACT	Australian Capital Territory
AHMAC	Australian Health Ministers' Advisory Council
AIHW	Australian Institute of Health and Welfare
HMO	honorary medical officer
MIDWG	Medical Indemnity Data Working Group
MINC	Medical Indemnity National Collection
MTL	Medical Treatment Liability
N.A.	not applicable
NSMP	non-salaried medical practitioner
PHO	public health organisation
PIPA	<i>Personal Injuries Proceedings Act 2002</i>
SS	Staff Specialist
TMF	Treasury Managed Fund
VMIA	Victorian Managed Insurance Authority
VMO	visiting medical officer

Summary

This report focuses on public sector medical indemnity claims data for the period 1 July 2005 to 30 June 2006 and is the fourth report in the series. The data in this report, which are collected through the Medical Indemnity National Collection (MINC), provide information on the incidents that gave rise to claims, the people affected by these incidents, and the size, duration and mode of settlement of medical indemnity claims.

The AIHW now holds three full financial years' MINC data, and for the first time, selected MINC data items have been presented as a time series in this report. Time series data includes summary information on the number, nature and cost of medical indemnity claims in 2003-04, 2004-05 and 2005-06.

The MINC now represents 89% of claims in scope and 75% of closed claims. Rates of 'not known' being coded in the MINC has decreased since the 2004-05 reporting period for the majority of data items. The AIHW continues to work closely with the states and territories to improve the coverage and accuracy of the collection.

Claims

There were 6,922 claims active during the year, of which 2,038 were 'potential' claims. There were 1,943 new claims arising during the reporting period. At the end of the reporting period, there were 5,294 current claims remaining open.

During 2005-06, 1,628 claims were closed. In 28.1% of closed claims there was no payment made to the claimant and no defence costs or claimant costs incurred. Of those claims where payment was made to the claimant, 55.2% were settled for less than \$100,000. Payments exceeding \$500,000 were made in 62 claims (3.8%).

Court based alternative dispute resolution processes and other settlement methods, including settlement part way through a trial, were the most common modes of settlement accounting for 9.1% and 28.9% of closed claims respectively.

Incidents

The three most frequently recorded clinical service contexts associated with all medical indemnity claims were obstetrics (1,156 claims; 16.7% of all claims), general surgery (1,004 claims; 14.5%) and accident and emergency (935 claims; 13.5%). New claims arising during the year were most commonly associated with the clinical service contexts of general surgery (514 claims; 26.5%), obstetrics (247 claims; 12.7%) and accident and emergency (238 claims; 12.2%).

General surgery (816 claims), obstetrics only (813 claims) and emergency medicine (791 claims) were the most commonly recorded specialties of clinicians allegedly involved in incidents that gave rise to claims.

Data on 'Primary incident/ allegation type' show that medical or surgical procedures (2361 claims; 34.1% of all claims) were most commonly recorded in medical indemnity claims, followed by diagnosis (1372 claims; 19.8%) and treatment (946 claims; 13.7%).

The majority of claims arose from events that allegedly occurred in major cities (4,439; 64.1% of all claims); 1,856 (26.8%) arose from incidents that occurred in inner regional areas and 91 claims (1.3%) arose from incidents that occurred in remote or very remote areas.

People

Babies less than 1 year old were the subject of 687 claims (10.0%), 520 claims (7.5%) related to children and 4,802 claims (69.4%) related to adults.

Neuromusculoskeletal and movement-related functions and structures were most commonly recorded as the 'Primary body function/structure affected' as a result of an incident (1,452 claims; 21% of all claims). Mental functions and structures of the nervous system were the next most commonly recorded category (972 claims; 14.0%) followed by genitourinary and reproductive functions and structures (796 claims; 11.5%).

Time series data

The number of new claims rose between 2003-04 and 2005-06, however this increase should be interpreted with caution as there was also an improvement from 80% of claims in scope reported in 2003-04 to 89% in 2005-06.

Overall, time series data indicate there has been little change in the profile of medical indemnity claims over the last three reporting periods. Changes that can be observed include an increase in the percentage of all claims originating in inner regional areas from 21.4% in 2003-04 to 26.8% in 2005-06. An increase in the proportion of claims arising from treatment in the clinical context of general surgery can be seen, from 11.3% of all claims in 2003-04 to 14.5% of all claims in 2005-06. The proportion of claims where an incident related to a procedure is alleged to have occurred increased from 32.8% of all claims in 2003-04 to 34.1% of all claims in 2005-06.