

MEDICAL INDEMNITY INSURANCE, DOCTORS WORKING IN PUBLIC HOSPITALS

314. Mr J.B. D'ORAZIO to the Minister for Health:

Will the minister advise what the Government is doing to provide certainty in medical indemnity cover for doctors working in the Western Australian public health system?

Mr J.A. McGINTY replied:

I thank the member for Ballajura for his ongoing interest in matters relating to health.

I advise the House that in the past three years medical indemnity insurance premiums around Australia have risen by 80 per cent. Members are aware of the factors contributing to this sharp rise and of the assertion that there is a crisis in medical insurance in Australia. The federal Government sought to address this matter by passing a package of legislation in 2002, which sought to bring the medical indemnity insurance sector into a financially secure and regulated environment. Unique problems were created in Western Australia with the passage of the commonwealth Medical Indemnity Act 2002. The longstanding arrangement, under which private doctors treating public patients in public hospitals carried their own medical indemnity insurance, was effectively brought to an end by that legislation. This potentially left more than 1 200 non-salaried medical practitioners without medical indemnity cover and unable to treat public patients. As a Government, we responded with effect from 1 July last year - some 11 months ago - and provided all non-salaried doctors with comprehensive medical indemnity cover for the treatment of public patients in public hospitals.

I am pleased to announce today that we have made three very important changes to the medical indemnity arrangements affecting doctors in this State. The first is that medical services provided to public and private patients treated in country public hospitals will be covered by the new indemnity. The treatment of private patients in a public hospital in country WA will, therefore, now be covered by the Government's medical indemnity scheme. Secondly, all salaried medical officers will be offered a contractual indemnity covering medical treatment liability claims arising from the treatment of public patients and, in some cases, private patients. Thirdly, participation in authorised clinical governance activities will now come within the scope of the cover. Increases in medical insurance costs resulted in some doctors in country areas dropping their private procedural cover. Hospitals could then admit only public patients, and such hospitals have had a loss of revenue and an increase in costs. This is estimated to be on average \$45 000 for every medical practitioner who decides not to renew his or her private procedural cover. The indemnity is provided without cost to the medical practitioners. To be eligible for the indemnity covering private patients in country areas, doctors need to agree not to charge patients a gap fee for the medical services provided.

In total, these changes will affect about 4 000 doctors in Western Australia; that is, approximately, 1 220 non-salaried medical practitioners and 2 800 salaried medical officers. I am pleased to have been able to conclude these difficult negotiations in a very complex area, and to have seen today the comments made by my good friend the President of the Australian Medical Association (WA), Dr Brent Donovan, welcoming the new package. He said it would provide long-term security and stability for doctors. I quote -

“The new arrangements mean an end to the uncertainty over indemnity arrangements which have been a major concern to doctors over the past few years,” . . .

“We are pleased to have been able to work with Government on such an important and complex issue.”

I report to the House that this major and longstanding issue of contention between doctors and the Government has now been satisfactorily resolved.