

Ensuring Your Medical Practice is Adequately Covered

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Adverse or unexpected events in healthcare may result in a negligence lawsuit being brought against you, or the practice in which you work. MIPS has noted an increase in civil claims where practice entities have been named in the lawsuit.

Historically, patient complaints to AHPRA are mostly linked to an individual doctor, dentist or other practitioner, however it may come as a surprise to healthcare practitioners that their practices can also be named in these civil matters.

MIPS offers comprehensive professional indemnity insurance to safeguard you and to ensure you are covered for medical negligence claims and the legal defence costs of a claim made against you, but not your practice. A practice indemnity coverage, including cyber cover (a concerning emerging risk) and General Liability should be included in any business risk management strategy to protect you and your practice.

Professional indemnity insurance is a mandatory AHPRA registration requirement for anyone providing private practice and is a necessity to protect you from the costs of claims that could lead to damages that may threaten your private assets including your home. It also enables patients harmed due to negligent acts or omission, access to compensation.

MIPS can meet your AHPRA indemnity insurance requirements through membership and help to facilitate cover for your practice. Consider these two main insurance covers:

Individual	Practice for your business and employees
Professional indemnity insurance	Practice entity, cyber and public & product liability
Main benefit of MIPS membership	Available through MIPS' partner Aon

It is likely that you are aware professional indemnity insurance is an AHPRA requirement for undertaking any type of practice in your profession. If you work in a public hospital (dental or medical), your employer (who is vicariously liable for you) may have provided you with indemnity insurance. However, for most healthcare practitioners in small or large private practices, you would have acquired this cover independently.

When you start private practice, you may rely solely on your professional indemnity insurance. MIPS cover also provides limited cover for your administrative staff, assistants and sole practitioners (policy from 1 July 2021). However, this cover is not designed for more complex practices that employ multiple practitioners. As your practice grows, your exposure to risks not directly associated with the healthcare you provide may also increase. Consider this example (while this is for a dental practice, it would equally apply in a medical practice scenario):

Example

An individual visits your dental practice without an appointment on a day that there are no available bookings. They tell the practice manager they have some localised pain after the root canal you performed.

Despite their insistence on an appointment, your practice manager does not consider it urgent as the patient does not appear to be in much pain. The practice manager turns the patient away but schedules them in for an appointment the following week instead.

The patient returns home and endures the pain as a root canal infection spreads to their jaw, face and bloodstream. The patient then seeks emergency treatment at a hospital.

Months later the patient makes a demand for compensation against your practice and threatens to take legal action because you did not identify and treat the infection earlier.

In this example, your treatment may have been technically competent, but the practice and practice manager may be liable for the patient's delayed treatment and subsequent harm and costs.

There are many ways daily operations can expose your practice to the risk of a claim, complaint, or legal action. For example, privacy breaches or failure to follow up or recall a patient that can lead to poor patient outcomes forming the basis of a complaint.

You can find out more by visiting mips.com.au/practiceentity

Practice entity, cyber and public & product liability insurances described on this webpage are offered by MIPS' partner, Aon. Aon have developed Healthcare Clinic Malpractice and other covers specifically for the Australian market. MIPS receives no financial benefit or commission from this but does assist members to apply. If you acquire cover, it will be through Aon, not MIPS and any future interactions will be through Aon. Practice entity, cyber and public & product liability insurances are issued in the name of a business, not in your name. This means it must be purchased by the business (or contractor) and the business must advise who is working in the practice and the nature of the healthcare provided. This is different to MIPS membership, that is only provided to individuals.

Further information

Insurance cover is subject to the terms, conditions and exclusions of the policy. This information is not intended to be advice and you should not rely on it as a substitute for any form of advice. For further information about the Aon Healthcare Clinic Malpractice Cover (Practice entity cover), contact Aon. For further information about MIPS membership, review our [Member Handbook Combined PDS and FSG](#) or contact MIPS on 1800 061 113. Information is current as at the date published.
