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From the President

12 October 2017

Ms Kate Medwin
Director, Medical Indemnity Section
Private Health Insurance Branch
Department of Health
GPO Box 9848
CANBERRA ACT 2601

Via Email: Medical.Indemnity@health.gov.au

Dear Ms Medwin

RACP submission to the *Discussion Paper: First Principles Review of the Indemnity Insurance Fund (IIF) and each of the schemes that comprise the IIF (August 2017)*

Thank you for the opportunity to comment on the First Principles Review of the Indemnity Insurance Fund Discussion Paper.

The members of The Royal Australasian College of Physicians (RACP) provide care for Australians at the individual and population level, and at all stages of their lives: from infancy and childhood, through adolescence and adulthood, to old age and the end of life. Physicians and paediatricians practice in a wide range of settings, including public and private hospitals, private rooms, within community health centres and primary care, and Aboriginal Medical Services; and across urban, regional and very remote regions. The RACP has many members who provide critical medical services in high risk environments and to high risk patient groups.

Our members recall the period of extreme instability during the insurance crisis in 2002 that led to escalating premiums and the resulting concerns over the availability of health services for patients.

The current environment shows that the provisions put in place at that time by the Australian Government have been effective in promoting stability in the insurance industry, and supporting access to patient care through maintaining affordable premiums for medical practitioners.

It is not clear from the discussion paper on what basis these measures are now being considered unnecessary.

The RACP is concerned that their removal would lead to the previous conditions of industry instability being recreated and a repeat of the crisis. Escalating premiums and instability in the medical indemnity industry would have a particularly significant impact on those of our

members who care for patients in rural and remote Australia, those with high-risk conditions, and where any resulting care might be long term (potentially life-long) or requiring sustained periods of significant intervention and management.

The RACP does not support changes being made without detailed and validated assurances that, if the present underpinning measures were to be removed, patient access to care would not be adversely impacted. Before any alterations are made to what is a stable, enabling insurance environment, it is vital that a full risk evaluation and actuarial analysis is undertaken.

The ongoing stability and affordability of professional indemnity insurance for medical practitioners is a crucial element in ensuring the continuing availability of and access to specialist care, including care for high risk patients.

If you would like further information on this submission please contact Dr Kathryn Powell, Senior Policy Officer, [REDACTED]

Yours sincerely

A handwritten signature in cursive script that reads "Catherine Yelland".

Dr Catherine Yelland PSM