

Risk Management – a means to improving the malpractice crisis



John Chippindale*

Over the past few years the frequency (number of malpractice claims) and severity (average cost of each malpractice claim) of incidents involving alleged negligence have escalated creating what is referred to as a "crisis". There are differing views as to whether this trend is in fact a crisis, or whether it is merely an inevitable evolution resulting from a changing legal climate and expanding social expectations. However, the fact is that the increasing cost for a professional to protect himself or herself against potential legal liability resulting from negligence has become prohibitive.

The CHIROPRACTIC profession, was in a situation in which the cost of insurance in 1987 is almost five times what it was in 1985, rising from \$220 to \$1,000 per chiropractor. This drastic hike in insurance rates has come about because of a deteriorating Canadian-wide claims experience and a lack of insurance companies competing to provide insurance protection to chiropractors.

In the absence of available traditional insurance coverage in 1986, the Canadian Chiropractic Protective Association was structured to set up a professional self-administered fund to investigate and settle incidents involving third party alleged negligence (malpractice). Now in its' second year of operation, the C.C.P.A. offers protection to approximately 2,200 chiropractors across Canada.

Protective Liability Claim Control

Through the existence of the C.C.P.A., a fund has been established to pay those incidents whereby liability is determined, as a means of indemnity for its members. This fund extends financial loss protection which applies after an adverse occurrence has taken place.

To complement this protection offered through the C.C.P.A., the implementation of a "risk management" system is underway which is designed as a pre-loss mechanism to minimize the exposure to risk through quality control procedures.

The key elements of a risk management system to be introduced by the Canadian Chiropractic Protective Association include:

- 1 Identification** of the types of injuries and recurring causes of these injuries;
- 2 Measurement** of the number of incidents and the corresponding financial impact by categorization (i.e. – Cervical, Lumbar, Extremity, Thoracic, Ribs and others) to determine the most serious exposures which need urgent attention;

* Mr. J. Chippindale is Assistant Vice-President with Marsh & McLennan Limited and consultant to the Canadian Chiropractic Protective Association.

- 3 Development** of alternative solutions or techniques for treating each risk exposure through either reducing the chance of liability or reducing its magnitude if it does occur;
- 4 Implementation** of chosen risk control procedures and a risk financing (i.e. – insurance) structure;
- 5 Monitor** the results of the risk management system on an ongoing basis, and consider whether changing conditions suggest different solutions in the future.

The chiropractor, as a health-care specialist, effectively enters into an implied contract to provide proper health services to patients. The rendering of these professional services brings up issues such as informed consent and full disclosure. These are increasingly important considerations, and in fact the quality of care in some circumstances is not the contentious problem. The question arises in this regard – What actually constitutes liability?

Properly administered and controlled risk management procedures, as opposed to the mechanism of financing alleged malpractice suits, are the most effective way to improving the worsening trend in professional liability cases, and as such should induce reduced insurance premiums in the longer run. Such simple practices as maintaining a detailed diary on patient visits, assuring that a close doctor-patient relationship exists and keeping one's workload (volume) to a reasonable level are critical steps towards avoiding successful negligence suits.

Further information on the topic of "RISK MANAGEMENT" will follow very shortly as contained in a manual to be distributed by the Canadian Chiropractic Protection Association.

Answers to Roentgenology Quiz

- | | | | |
|-----------------|-----------|----------|----------|
| 1 d | 7 a-T | 9 A | B |
| 2 b, c | b-F | Common | Uncommon |
| 3 c, e | c-T | Common | Uncommon |
| 4 a, b, c, d, e | d-T | Uncommon | Common |
| 5 a-6 | e-T | Uncommon | Common |
| b-2 | 8 a-1 | Common | Uncommon |
| c-3 | b-2, 3, 1 | 10 a-T | |
| d-8 | c-2, 3 | b-T | |
| e-1 | d-1, 2, 3 | c-T | |
| 6 a-9 | e-2, 3, 1 | d-T | |
| b-3 | | e-T | |
| c-1 | | | |
| d-5 | | | |
| e-6 | | | |