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Understanding insurance

The GP's professional and ethical responsibilities

This article forms part of our 'Paperwork' series for 2011, providing information about a range of paperwork that general practitioners complete regularly. The aim of the series is to provide information on the purpose of the paperwork, and hints on how to complete it accurately. This will allow the GP to be more efficient and the patient to have an accurately completed piece of paperwork for the purpose required.

Background

General practitioners will often consult with patients in situations where professional skill is required to support a decision regarding insurance.

Objective

The aim of this article is to assist doctors' understanding of the basis of insurance and risk, in order to support their own practice in this important area.

Discussion

This article provides information about insurance and the professional skills required to assist in decisions made by insurance companies (for which, commercial factors predominate), and/or by patients (in whom, social and emotional factors may be more important). A quality improvement activity is provided for those interested in making changes to their practice.

Keywords: insurance; general practice; risk assessment; data collection

Insurance is defined as, 'the act, system, or business of insuring property, life, the person, etc., against loss or harm arising in specified contingencies, as fire, accident, disablement, or the like, in consideration of a payment proportionate to the risk involved'.¹

There are many types of insurance. The Australian Government Business website² groups these as:

- assets and revenue insurance
- people insurance, and
- liability insurance.

While most general practitioners will be familiar with these types of insurance, this article will focus on the professional and ethical aspects of people insurance, more specifically on policies that cover personal accidents, illness and death.

What is risk?

For a deeper understanding of the concept of risk management, readers may wish to consult the International Standard.³ In this standard, the risk management process includes the following steps, along with continuous communication and consultation, and monitoring and review:

- establish the context
- identify the risks
- analyse the risks
- evaluate the risks
- treat the risks.

In order to satisfy this process and determine their risk profile, insurance companies will often seek more detailed information and use this to evaluate and 'treat' risk through modification of the insurance premium. In some cases, where a doctor is being asked to provide an opinion on fitness (see below), this would be considered to form part of a risk evaluation.

Analysis of risk involves an assessment of the likelihood and consequences of an adverse event. In the commercial world of insurance, this means considering available evidence such as from past claims data, epidemiological studies and expert panels to determine likelihood, and considering the consequences of an event, which may range from no effect, through injury (personal and financial) and ultimately death.

What will insurance companies contact GPs for?

Insurance companies generally contact GPs for two types of information. First and foremost to assist in the assessment of a client or potential client's risk profile. In these cases, most requests deal with facts – that is, what is the health status of the client before entering into the insurance contract? In some cases, you will be asked to provide an opinion on fitness for a task or activity. Second, insurance companies will contact GPs

for verification of events, including injuries, death or hospitalisation. In this second case, the information desired is invariably limited to documentation of the facts.

It is important that GPs answering requests from insurance companies are clear as to whether they are being asked to provide medical facts about their patient, or an opinion on 'fitness' for something. This is because these relate to different components of the risk management process.

Who pays for the service?

In most cases, the insurance company will state at the time of the request what they are prepared to pay for the service, and the standard they expect with regard to timely completion. This complies with their own schedule of fees. Of course, GPs are duty bound under competition law to assess and charge their own professional fees. In practice, most doctors simply accept the offer made by the insurance company. It may be prudent if planning on charging a higher fee than the company suggests to confirm this is acceptable before completing the work. In some cases, such as travel insurance, the patient will approach the doctor for 'a signature' (even though it is always more than that). Here, the patient would be liable for the doctor's fee.

Specific considerations of different types of insurance

Life (and term life) insurance

Life insurance is a policy taken out to provide for the estate of the principal in the event of their death. Usually, this means a payout to the dependents/beneficiaries, or reduction in the debts of the principal. Hence, the consultation may be emotionally charged due to the frank consideration of risk factors and the size of the investment the patient will be making.

The greatest risk modifier in life insurance policies is smoking history. It is essential that GPs providing information on this aspect provide true information. The cost of life insurance for smokers can be double that for nonsmokers, and untrue information can reduce or invalidate a later claim.

Additionally, GPs may be asked to provide after the fact certification in the event of a claim.

Travel insurance

Travel insurance is taken out by a traveller to provide a financial payment on the occurrence of number of events that may occur during travel, usually overseas. Comprehensive policies include cover for immediately necessary medical care (usually subject to a small deductible/excess), medical evacuation to Australia, and repatriation of remains in the event of death. Often high risk activities such as professional sport, alpine sports and unlicensed motorcycle riding are excluded, although this is not always the case.

The key factor required by the insurance company is documentation of pre-existing medical conditions (including pregnancy), as these will always be subject to an additional premium payment if they are to be included in the policy. A patient may elect to assume their own risk in the case of a pre-existing condition, and it may be useful for the doctor to discuss the risk they would be taking on.

It is worth noting – particularly in the case of doctors practising in hospitals – that travellers from overseas who require healthcare in Australia may request/consent to release of their personal health information to a medical assistance company (usually contracted to their insurer) in order to assess their claim. Doctors should follow their own organisation's policy on completion of this paperwork. Usually, timely and accurate completion benefits both the patient and the hospital.

Income protection

Many Australians have income protection insurance bundled with their superannuation. For those that do not, they are able to take out a policy of their own volition, and in many cases, documentation from their doctor is required. This insurance provides a percentage (usually up to 75%) of current salary (or some agreed amount) in the event of an incapacity arising from injury or illness. As with travel insurance, pre-existing medical conditions are important, as well as lifestyle risk factors.

Trauma (recovery) insurance/ illness and injury insurance

These provide a fixed lump sum payment in the event of specifically described injuries or illnesses, usually commensurate with their severity. For example, a complete fracture of a finger may pay

a small amount, while a spinal fracture resulting in quadriplegia, or cancer would pay a larger amount.

While it is unusual for these policies to require a pre-insurance medical (and if they do the usual considerations apply), doctors will usually be called on to provide a certification that the event occurred and when. For example, a patient may request and consent to the release of medical records including X-ray reports in order to substantiate their claim.

Ethical issues

Confidentiality

It is essential that a GP document the patient's consent to the release of their personal health information to the insurance company. In most cases, the company will provide a signed consent form at the time of their request. It is prudent to confirm consent with the patient at the time of any consultation and to note this in the clinical record. Practices should describe this procedure in their privacy policy and reception staff can assist by placing the consent form at the front of the patient's notes.

Adverse risks identified

If a health condition is identified that may pose an adverse risk, this should be discussed with the patient. It may provide an opportunity for opportunistic health promotion or discussion about risk modification. In the case of travel insurance, this may lead to a discussion of personal protection and prophylaxis required by the patient relevant to the destination. In all cases where adverse risks are identified, arranging review is essential, such as by booking a follow up appointment or writing to the patient's usual doctor.

Withholding information

It is inappropriate to withhold information that would contribute to the risk assessment process by the insurance company. This may adversely affect the patient in the future, or expose the doctor to legal liability.

The patient-doctor relationship

In some cases, a patient may have been attending the practice for many years. A sense of loyalty in the relationship with the patient has potential to compromise a doctor's decision making process with regard to the detail of information provided to

the insurance company. With open communication, this need not cause dissonance. It is important to remember that in some cases the duty of the doctor is to the insurance company. Indeed, the Australian Medical Council's Code of Conduct⁴ states explicitly that when doctors are providing an insurance related service to someone who is not their patient, 'the usual therapeutic doctor-patient relationship does not exist'. Doctors may consider laying the ground rules at the beginning of the consultation in order to avoid consternation.

Complaints

A literature review was unable to find specific data on complaints about doctors conducting insurance medicals. However, in Queensland in 2010, of 2519 complaints to the Health Quality and Complaints Commission, only 21 related to

reports/certificates (this includes all reports and not only insurance reports).⁵ It is therefore unlikely that insurance paperwork is a significant cause of patient complaints. However, providing inaccurate or misleading information would be viewed with serious gravity by the Medical Board of Australia.

Complaints about the conduct of insurance companies should be addressed to the company in the first instance. The Insurance Council of Australia (see *Resources*) is also able to investigate and assist with resolution of complaints.

Summary

This article has provided an introduction to the basis of insurance and risk, outlined relevant professional and ethical issues in the completion of related paperwork and provided a framework for GPs who wish to implement improvements to their

practice. The fact that insurance companies call upon doctors to provide facts and opinions based on their professional skill is an indication of how important they consider medical practitioners in their assessment of risk. It is incumbent on doctors who provide such information to be objective. Indeed, in most cases, it is in the patient's best interests to do so.

After reading this article, some doctors may be motivated to make improvements to their practice in the area of insurance documentation. *Table 1* may guide a formal activity for quality improvement and continuing professional development.

Resources

- Australian Government Business website: www.business.gov.au/BusinessTopics/Insurance/Pages/default.aspx
- Insurance Council of Australia (general advice and complaints): www.insurancecouncil.com.au
- Department of Foreign Affairs and Trade 'smart-traveller' website (detailed information about travel insurance): www.smarttraveller.gov.au/travel_insurance.html

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6. The Royal Australian College of General Practitioners. QI&CPD Program 2011–2013 triennium handbook. South Melbourne: RACGP, 2010.

Table 1. Quality improvement activity

Consider the following points which may guide a formal improvement activity for The Royal Australian College of General Practitioners (RACGP) Quality Improvement and Continuing Professional Development Program.⁶

Plan: Together with a colleague, reflect on your practice when it comes to insurance paperwork. This may be assisted by conducting a brief retrospective audit of say, 10 files in which you have completed insurance forms. Discuss areas for improvement and how you might monitor/measure for this. Decide on a timeline (which might be measured in cases or weeks). Suggested improvements include:

- Always discussing the ground rules with patients and documenting that this occurred
- Ensuring any written consent is confirmed verbally with the patient at the time of the consultation and documented in the record
- Documenting any clinical follow up required for identified issues (this may include referral to the patient's usual GP if this is not you)
- Reducing the time between the consultation and completion of, and dispatch of insurance paperwork to the company
- Asking the patient at the end of the consultation if they are satisfied with the encounter and documenting this information
- Including aspects of insurance paperwork in the practice privacy policy and measuring awareness among staff

Do: Implement the improvement/s that you discussed. Consider focusing on one or two areas at a time to ensure you can identify which changes were actual improvements. Collect simple data as you go, such as a running sheet of patient record numbers, whether you implemented the change, if not, why not, and space for comments

Study: Meet again with your colleague to analyse your data. Reflect on whether the changes were improvements. Discuss any problems you encountered

Act: Was this cycle worth doing, and will you implement this change? Could it be refined or further improved? Or, is this change not an improvement? Discuss with your colleague and document your reflections

Repeat: The cycle should ideally be repeated, which allows for several improvements to be tested and potentially implemented in succession. The best time to plan a repeat cycle is immediately on completion of the first, in order to maintain momentum

Note: To be eligible for RACGP QI&CPD points, three cycles of improvement must be undertaken. Document your progress at qicpd.racgp.org.au

correspondence afp@racgp.org.au