PSC MEDIPROTECT
INSURANCE BROKERS

THE SAFE PATH FORWARD

Risk Management Insights & 7-Step Checklist for Day Hospitals

Welcome to Your Insurance Journey

In the dynamic world of healthcare, where each day brings new challenges and opportunities, your role in providing exceptional patient care is more vital than ever. Since our partnership with Day Hospitals Australia began in 2009, PSC Mediprotect has gained a profound understanding of the unique role Day Hospitals play within the healthcare ecosystem. This deep-rooted relationship and shared journey of over a decade have equipped us with invaluable insights, making us exceptionally knowledgeable about the specific risks and needs you face. Inspired by your dedication, we are driven to ensure our support and solutions align closely with the pivotal care you deliver.

As we embark on this journey together, our goal is to not just offer insurance but to partner with you in creating a safer, more resilient future for your operations. This Risk Management Guide is a token of our commitment, designed to walk you through the essential steps of protecting your day hospital against unforeseen risks. It's designed to help you understand the landscape of risks you face and the protective measures that can make all the difference.

The Importance of Being Prepared

Before we dive into the specifics, we want you to know that this guide, and the checklist it introduces, is a starting point. It's an invitation to explore, question, and discuss the protective measures that can shield your day hospital from the unexpected. While we've aimed to cover a comprehensive array of insurance types, remember, this guide is a general tool, not tailored advice. Your day hospital is unique, and so are your insurance needs.

With a deep appreciation for the critical work you do, we've designed this guide to be both informative and approachable. It's for you—the healthcare pioneers, the community caregivers, the innovators of patient services. Let's navigate the complexities of insurance together, ensuring your day hospital thrives in a secure, protected environment.

We're excited to continue this journey with you, offering our expertise, support, and partnership every step of the way. Your dedication to healthcare excellence is our inspiration, and together, we can achieve remarkable things.

Warm regards,

The Team at PSC Mediprotect

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Understanding Key Insurance Types for Day Hospitals

Before diving into our detailed checklist, let's explore the essential types of insurance that form the cornerstone of a robust risk management strategy for Day Hospitals. Understanding these insurance products is crucial in identifying the right protections for your operations:

Medical Malpractice

Access to around-the-clock medico-legal advice is invaluable, providing peace of mind and immediate support when you need it. This policy also covers against allegations of medical or clinical negligence, including complaint investigation costs. Medical Malpractice insurance is vital for protecting against the legal costs and damages that may arise from claims of malpractice or negligence in the provision of healthcare services.

Management Liability

Modern policies have evolved to cover a broader range of managerial risks beyond traditional Directors & Officers liability. Management Liability insurance is crucial for Day Hospitals, covering employee disputes, Fairwork claims, employee dishonesty/theft, and breaches of legislation such as Work Health Safety and Tax Audits by the ATO. It provides a safety net for defense costs that can accumulate even in situations where no liability or breach is found, ensuring that your focus remains on delivering quality healthcare.

Workers Compensation

Essential for any business, this insurance covers employees in case of work-related injuries or illnesses. This ensures compliance with regulations and offers a streamlined approach to handling claims and improving injury management practices, crucial for the healthcare environment of Day Hospitals.

Cyber Insurance

In an era where digital threats are ever-evolving, Cyber Insurance is critical for protecting Day Hospitals against the spectrum of cyber events. This includes direct financial losses from cyber theft, business interruption, compensation for data breaches, costs related to Mandatory Data Breach Notification, and first response investigation expenses. A crucial aspect to understand is that no amount of IT security can fully eliminate the risk posed by human error—such as intercepted invoices or fraudulent payment requests. Moreover, within the healthcare domain, the high value of medical data makes it a prime target for cybercriminals, who may attempt to hold information ransom, disrupting operations and risking patient privacy. Cyber Insurance provides a safety net, ensuring Day Hospitals can respond effectively to these incidents, safeguarding both their operations and the trust of their patients.

Property and General Liability

A foundational element of any insurance program, this coverage protects against physical loss or damage to assets, consequential loss arising from a major claim, and third-party liability for bodily injury and property damage.

Equipped with this knowledge, you're now ready to assess your day hospital's specific risk management and insurance needs through our comprehensive checklist..

Real Life Scenarios

In the complex and fast-paced world of healthcare, understanding the risks your day hospital faces is crucial to ensuring continuous, effective, and safe operations. The following examples illustrate real-life scenarios where having robust insurance coverage proved indispensable. These incidents highlight the critical nature of tailored insurance solutions in protecting against unexpected challenges and financial losses.

Medical Malpractice

Transplant Dosage Error: A nurse inaccurately recorded the medication dosage for a transplant patient, leading to kidney rejection and a $1.5 million settlement. The nurse, as an independent contractor, was responsible for 33% of the payout.

Hydrotherapy Fall: A patient fell while dressing after hydrotherapy in a private hospital, sustaining an arm injury requiring surgery. The incident resulted in a settlement exceeding $200,000.

Management Liability

Wrongful Dismissal & Discrimination: A senior employee dismissed after reporting bullying and discrimination settled their Federal Court claim for a six-figure sum.

Fraudulent Invoices: An employee exploited invoice processing weaknesses to embezzle funds by creating a false supplier, resulting in significant losses over several months.

Cyber Insurance

Ransomware Attack: A hospital's systems were crippled by ransomware, impacting billing, imaging, and payroll, with over $700,000 in recovery and crisis management costs.

Data Breach via Email: A mistakenly attached spreadsheet in a routine email exposed patient details, triggering extensive notification and identity theft response costs.

Each of these claims underscores the unpredictable nature of risks in healthcare environments and the significant financial and operational impacts they can have.

As your dedicated insurance partner, PSC Mediprotect is committed to providing comprehensive risk management strategies and insurance solutions that protect your day hospital from such unforeseen events.

Let these examples be a call to action to review and strengthen your insurance policies, ensuring that you are well-prepared for any challenges that may arise. Together, we can secure a resilient future for your operations.

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Day Hospital Risk Management Checklist
Insurance Coverage Essentials

1. Medical Malpractice Insurance

- [ ] Ensure coverage for your business, its employees and operations.
- [ ] Confirm inclusion of all medical services provided by the Day Hospital.
- [ ] Review limits to cover high-risk procedures and specialties.

2. Public Liability Insurance

- [ ] Verify that the policy covers all areas accessible to patients and visitors.
- [ ] Check for coverage of off-site events or services, if applicable.

3. Business Interruption Insurance

- [ ] Determine if the policy adequately covers potential revenue losses due to unforeseen closures or disruptions.
- [ ] Understand what triggers the coverage and any exclusions.

4. Cyber Liability Insurance

- [ ] Ensure protection against data breaches and cyber attacks, crucial for patient data security.
- [ ] Review coverage for costs related to data recovery, legal fees, and notification expenses.

5. Property and Contents Insurance

- [ ] Check that the policy covers medical equipment, technology, and facilities adequately.
- [ ] Include specific high-value items or equipment in the policy as needed.

6. Workers' Compensation Insurance

- [ ] Verify compliance with state or territory regulations.
- [ ] Ensure coverage includes all employees, including part-time and casual staff.

7. Management Liability

- [ ] Protect board members and executives from personal financial losses due to litigation.

Navigating the waters of risk management is a journey we're excited to embark on with you. Remember, this guide is just the beginning. Our team at PSC Mediprotect is eager to provide the personalised support and knowledge you need to thrive.

Let's Start the Conversation

We're here to listen, advise, and assist you in every way we can. For a more detailed discussion about your specific risk management needs or to explore tailored insurance solutions, please reach out to us. Your peace of mind is our priority, and we're ready to ensure your Day Hospital is protected and prepared for the future.

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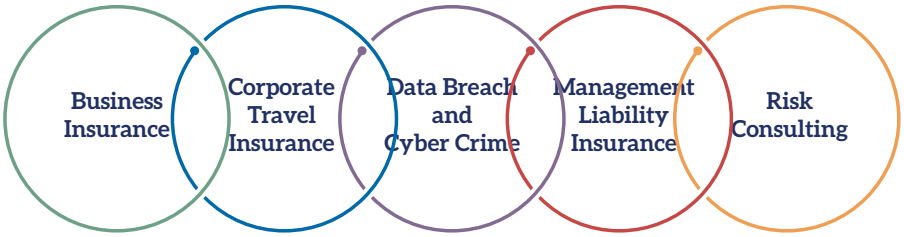
About PSC Mediprotect

For more than 20 years our team has been providing insurance broking and risk advisory services to small and medium sized primary and community health organisations across Australia. Combining our passion for the healthcare sector with our extensive insurance market knowledge, we strive to deliver a service acknowledged by our clients as valuable and personal.

As part of the multi-national PSC Insurance Group Limited (ASX:PSI), we have offices across Australia providing local support when needed. We have considerable buying power when negotiating with insurers and we use our collective knowledge to ensure your business is appropriately covered according to your needs and budget.



Our service offering includes:

- Accessing an extensive range of Australian and International Insurers to allow us to provide the most suitable solution for your needs.
- Insurance risk reviews that recognise every business is unique. This review helps ensure your insurance cover matches your risks.
- A dedicated in-house claims team that advocate on your behalf with insurers to optimise claim outcomes.
- Business interruption reviews to provide an assessment of the potential for loss of revenue and for increased costs following a claim.
- Education of directors, executives and advisory committee members.
- A national healthcare team focused on understanding every customer, every policy and every risk.

Servicing clients with branches across Australia

We help thousands of businesses every day

Our global reach provides additional risk solutions

Our skilled brokers make us your best partner

No matter how large, we always make it personal

Request a quote

What next?

For more information or advice
Call us on 1800 177 163
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Schedule a meeting

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