



Department of Health
Government of Western Australia

Terms and Conditions
of the
Indemnity
for
Salaried Medical Officers

effective from 1 August 2006

These are the Terms and Conditions of the Indemnity for Salaried Medical Officers, effective from 1 August 2006

1. INDEMNITY

1.1. Minister to Indemnify and Waive Rights

In consideration of you providing the Medical Services and of you undertaking the obligations in Clause 8 (Quality & Safety Requirements), the Minister agrees, subject to the terms, conditions, limitations and other exclusions of these Terms and Conditions, to:

- (a) indemnify you and keep you indemnified from; and
- (b) waive any rights of contribution or indemnity the Minister may have against you in respect of, any Loss arising from a Claim or Potential Claim.

1.2. Exclusions

The Indemnity does **not** extend to:

- (a) any Loss arising from Claims or Potential Claims in respect of acts or omissions by you which are:
 - (i) reckless, malicious, or carried out with wilful or intentional disregard to the consequences;
 - (ii) criminal;
 - (iii) defamatory;
 - (iv) discriminatory (whether sexual, racial or otherwise) or otherwise constitute harassment;
 - (v) done or omitted to be done as a consequence of being under the influence of alcohol or illicit drugs, or inappropriate use of prescription or over the counter drugs including if you knew or reasonably ought to have known that those drugs would have an effect that caused or materially contributed to the Claim or Potential Claim;
 - (vi) done or omitted to be done whilst you are not registered with the Medical Board;
 - (vii) done or omitted to be done contrary to any restrictions or conditions placed on you by the Medical Board; or
 - (viii) done or omitted to be done in breach of your Employment Contract; or
- (b) the provision of Medical Services by you to private patients at a Hospital within the Perth metropolitan area while employed under "Arrangement B", or while employed as a salaried sessional medical practitioner.
For the purpose of these Terms and Conditions private patients do not include patients where you do not receive private practice income or have assigned your private practice income or billing rights for the treatment of those patients to the Hospital.
- (c) the provision of Medical Services by you while engaged as a Non-Salaried Medical Practitioner.

The Indemnity further does not apply where you deliberately provided materially false or misleading information in any Application for this indemnity.

2. YOUR OBLIGATIONS

You must:

- (a) notify the Hospital as soon as reasonably practicable after:
 - (i) a Potential Claim arises; or
 - (ii) a Claim is made against you; and
- (b) provide to the Hospital at the time that you give notice in accordance with paragraph (a) any information or documents which you have in your possession or control which may potentially be relevant to any Claim or Potential Claim; and
- (c) act in good faith in your dealings with the Minister.

If you fail to notify the Hospital as required under sub-clause (a), or to provide the Hospital with information or documents as required under sub-clause (b), or fail to act in good faith in your dealings with the Minister, and any such failure materially

prejudices the Minister's ability to deal with any Claim or Potential Claim, subject to clause 22, this Indemnity may be withdrawn by the Minister by notice in writing to you and then will cease to have any force and effect in respect of the Claim or Potential Claim.

3. **CONDITION PRECEDENT**

Notwithstanding that the "Application for the Salaried Medical Officers' Indemnity" is signed by both Parties, unless you provided the Medical Services under a valid Employment Contract then the Indemnity is void and of no force and effect

4. **DEFENCE OF CLAIMS**

4.1. **Powers of the Minister**

Subject to clause 4.2, the Minister shall have full discretion and control in respect of the Claim or Potential Claim, including but not limited to the power to:

- (a) conduct any investigations or inquiries it deems expedient in respect of the Claim or Potential Claim and the Indemnified Incident to which the Claim or Potential Claim relates;
- (b) defend any civil legal proceedings;
- (c) settle any legal proceedings at the Minister's sole and absolute discretion and whether or not involving an admission of liability; and
- (d) use your name for the purposes of subparagraph (b) and (c).

4.2. **Consultation**

- (a) If requested by you the Minister will advise you about the progress of any Claim or Potential Claim from time to time.
- (b) If it is reasonably practicable to do so having regard to the efficient management of a Claim, the Minister agrees to use his or her best endeavours to consult with you before settling any Claim where you are a named defendant in any writ and which involves an admission of liability in respect of your specific conduct.

4.3. **Separate Representation In Limited Circumstances**

If the Minister in his or her absolute discretion is satisfied that there is a conflict of interest between you and the Minister in respect of the conduct of a Claim or Potential Claim, the Minister will provide you with separate legal representation from a legal firm of the Minister's choosing for such time as the Minister determines that the conflict subsists and subject to such maximum sum as the Minister determines from time to time.

If you disagree with the Minister's determination you may refer the matter to the review panel under clause 22 which will make a recommendation to the Minister.

Notwithstanding any recommendation by the review panel the Minister's decision is final and binding and you agree that it is not subject to judicial or other external review.

4.4. **No Settlement or Admissions**

- (a) Subject to Clause 4.2 you or the Minister must not:
 - (i) make any admission of liability in respect of any Claim or Potential Claim or part thereof but you may make a statement of regret or sorrow; or
 - (ii) make any payment or settlement of any Claim or Potential Claim.
- (b) You must not do or omit to do anything which materially compromises the ability of the Minister to defend the Claim or Potential Claim.
- (c) If you do not comply with paragraphs (a) or (b), subject to clause 22, the Indemnity may be withdrawn by the Minister by notice in writing to you and then will cease to have any force and effect in respect of the Claim or Potential Claim.

4.5. **Disclosure of Information and Co-Operation**

- (a) You must:
 - (i) make full and frank disclosure to the Minister of any information of which you are aware and which is relevant in any way to any Claim or Potential Claim;

- (ii) co-operate fully with the Minister including but not limited to by responding as soon as reasonably practicable to any requests for information from, or providing assistance to, the Minister in relation to any Claim or Potential Claim; and
- (iii) neither discuss nor disclose any aspect of any Claim or Potential Claim (including any legal proceedings) with any person without the prior written consent of the Minister other than:
 - (A) to your professional advisers, professional representative body and private insurers;
 - (B) to a Court or tribunal;
 - (C) as required by law;
 - (D) in respect of information already in the public domain;
 - (E) as otherwise permitted or required by these Terms and Conditions,

and if you fail to comply with the obligations in paragraph (i), (ii) or (iii), and that failure materially prejudices the Minister's ability to deal with the Claim or Potential Claim, subject to clause 22, the Indemnity may be withdrawn by the Minister by notice in writing to you and then will cease to have any force and effect in respect of the Claim or Potential Claim.

- (b) Where a claim or potential claim against you is not the subject of the Indemnity, or you are the subject of a complaint, allegation, investigation or official enquiry (including but not limited to by the Medical Board or Coroner) and the Hospital holds information or documents relevant to the matter, the Hospital will, on written request from you, provide copies of that information or documentation to you or your nominated representative, provided always that it is lawful and reasonable in all the circumstances to do so and the Hospital may impose reasonable conditions on the use of any such information and documentation.

4.6. Agency

- (a) In respect of any Claim or Potential Claim notified to the Hospital under these Terms and Conditions, and subject to your rights under these Terms and Conditions, you appoint the Minister as your agent (principal disclosed) for the purposes of doing all things necessary or convenient to be done for or in connection with these Terms and Conditions and must, if requested by the Minister, ratify all things done by the Minister in that capacity.
- (b) If a dispute arises the parties agree the matter(s) may be referred to the review panel under clause 22 provided that in the case of a review under this clause 4.6 only the Chief Medical Officer may nominate another medical officer in his or her place.

5. APPLICATION OF INDEMNITY

- (a) Subject to sub-clauses (c) and (d), the Indemnity applies to Claims or Potential Claims arising out of an Indemnified Incident occurring during the Term.
- (b) The Indemnity will continue to apply to Claims and Potential Claims covered under sub-clause (a) made at any time after the term of the Indemnity.
- (c) The Indemnity applies to the provision of Medical Services to private patients treated by a medical practitioners employed under "Arrangement A"
- (d) The Indemnity applies to the provision of Medical Services to private patients treated by a medical practitioners employed under "Arrangement B" or on a salaried Sessional basis but only if
 - (i) the Medical Services were provided at a Hospital not within the Perth metropolitan area, and
 - (ii) the Indemnified Incident took place in the period on or after 1 July 2003; and
 - (iii) the Claim or Potential Claim had not been notified to your then current medical indemnity fund or insurer; and
 - (iv) you would not have been entitled to indemnity under your fund guidelines; and
 - (v) your current medical indemnity fund or insurer (if any) does not provide indemnity or insurance against any such Claims or Potential Claims.

6. RECOVERY OF MONEYS

- (a) If the Minister pays out any money under the Indemnity, and you are not entitled to the benefit of the Indemnity, and the Indemnity is lawfully withdrawn by the Minister pursuant to these Terms and Conditions, then any such moneys paid by the Minister become a debt due by you to the Minister repayable on demand.
- (b) This Clause 6 survives expiry of these Terms and Conditions or termination of the Indemnity by the Minister.

- (c) If you dispute a decision of the Minister to require repayment of money you may refer the matter to the review panel under clause 22.

7. 1990 GUIDELINES

The Guidelines relevant to Ministers and Officers involved in legal proceedings tabled in the Legislative Council on 10 July 1990 continue to apply in respect of legal proceedings, enquiries etc. not the subject of these Terms and Conditions.

8. QUALITY & SAFETY REQUIREMENTS

- (a) Without limiting your other reporting requirements in these Terms and Conditions, you must report a Claim or Potential Claim on the Hospital's then current incident reporting system.
- (b) You must cooperate with the Hospital and participate in clinical governance, clinical quality assurance, quality improvement and risk management processes, projects or activities as reasonably required by the Hospital.
- (c) Without limiting sub-clause (b), if reasonably required by the Hospital you must participate actively in quality improvement activities initiated by the Hospital in accordance with the strategic directions identified by the Department of Health. This involves activities to minimise and deal with human and system error and improve patient safety, including but not limited to:
 - (i) participating in Medical Advisory, Credentialing and Scope of Clinical Practice, Quality Improvement and Morbidity and Mortality Committees, and clinical audit activities;
 - (ii) participating in investigations of serious adverse events, and serious near misses, to identify their root causes;
 - (iii) reporting Sentinel Events;
 - (iv) adopting and using evidence-based best practice based on either locally approved guidelines, pathways and protocols where these are available or in local use or as otherwise approved by the Hospital;
 - (v) providing patients with an explanation of the proposed or planned treatment or procedure including material risks and obtaining written or other patient consent prior to any treatment or procedural intervention in accordance with Hospital policies and procedures. As part of the process key points of the consent discussion must be documented in accordance with the hospital's policies and/or guidelines; and
 - (vi) participating in the Open Disclosure process, when required.

9. CLAIMS HISTORY

You must, within 40 Business Days of receiving a written request from the Hospital, provide to the Hospital your Record of Health Care Claims History for the past 6 year period.

10. CONFIDENTIALITY

The Minister agrees to keep confidential any confidential information provided under these Terms and Conditions including relating to a Potential Claim or Claim received from or concerning you other than disclosure:

- (a) to a third party necessary for the proper and efficient investigation and conduct of the Potential Claim or Claim by the Minister;
- (b) to the Minister's professional advisers and insurance providers;
- (c) so as not to be in breach of the provisions of the Financial Administration and Audit Act 1985;
- (d) to any Court or tribunal;
- (e) as required by law;
- (f) of information already in the public domain;
- (g) otherwise permitted by these Terms and Conditions.

11. NOTICES

11.1 Notices

A notice or other communication in connection with these Terms and Conditions must be in writing and must be:

- (a) sent by prepaid ordinary post to the addresses; or
- (b) left at the addresses; or
- (c) sent by facsimile to the facsimile numbers,

set out on the "Application for the Salaried Medical Officers' Indemnity", or such other addresses or facsimile numbers notified by the Parties from time to time.

11.2 Receipt of Notices

A notice or other communication takes effect from the time it is received, unless a later time is specified in the notice or communication. For the purposes of these Terms and Conditions a letter or facsimile is taken to be received:

- (a) in the case of a letter sent by post, on the third Business Day after posting;
- (b) in the case of a facsimile, on production of transmission report from the facsimile machine from which the notice or communication was sent which shows that the entire facsimile was sent to the addressee; and
- (c) on the next Business Day, if received after 5.00pm.

12. ASSIGNMENT

The Indemnity is personal to you. You may not assign or create any encumbrance over your rights under these Terms and Conditions without the prior written consent of the Minister.

13. FURTHER ASSURANCES

Each Party agrees, at their own expense, on the request of the other Party, to do everything reasonably necessary to give full effect to these Terms and Conditions including, but not limited to, the execution of further documents.

14. WAIVER

- (a) No right under these Terms and Conditions shall be waived or deemed to be waived except by writing signed by the Party waiving the right.
- (b) The waiver of a right by either Party will not prejudice that Party's other rights or future rights in respect of the right waived.
- (c) Subject to paragraph (a), any failure by either party to enforce any right under these Terms and Conditions, or any forbearance, delay or indulgence granted by one Party to the other Party will not be construed as a waiver of rights under these Terms and Conditions.

15. ENTIRE AGREEMENT

Your Application form and these Terms and Conditions constitute the full and complete understanding between the Parties in relation to its subject matter and supersedes all prior negotiations, understandings and agreements with respect thereto.

16. SUPERVENING LEGISLATION

Any present or future legislation which operates to vary an obligation, right, power or remedy of any Party or any person in connection with these Terms and Conditions is excluded except to the extent that its exclusion is prohibited or rendered ineffective at law.

17. VARIATION

No modification, amendment or other variation of these Terms and Conditions shall be valid or binding unless made in writing duly executed by both Parties.

18. SEVERABILITY

If any provision of these Terms and Conditions is void, voidable by any Party, unenforceable or illegal in any jurisdiction, it shall be read down so as to be valid and enforceable or if it can not be so read down, the provision (or where possible the offending words), shall be severed from these Terms and Conditions without affecting the validity, legality or enforceability of the remaining provisions (or parts of those provisions) of these Terms and Conditions which will continue in full force and effect.

19. COSTS

Each Party agrees to meet their own legal and other costs and expenses arising in connection with the preparation, execution and completion of the Application, Terms and Conditions and other related documentation. You will not be

charged for the preparation, execution and completion of the Application, Terms and Conditions and other related documentation.

20. GOVERNING LAW AND JURISDICTION

These Terms and Conditions are governed by the law in force in Western Australia. Each Party irrevocably submits unconditionally to the non-exclusive jurisdiction of the Courts of Western Australia and of all Courts competent to hear appeals therefrom in relation to any legal action, suit or proceeding arising out of or in respect of these Terms and Conditions.

21. DELEGATION AND PROCEDURES

- (a) The Minister has delegated the Minister's powers and duties to the Director-General of the Department of Health.
- (b) The Hospital will establish from time to time procedures and protocols for the handling of Claims and Potential Claims under this Indemnity which you must comply with.

22. REVIEW PANEL

If the Minister intends to exclude or withdraw indemnity under these Terms and Conditions, or where otherwise required under these Terms and Conditions, the following protocols will apply:

Generally

1. The Minister will give you and the AMA(WA) notice in writing of that intent, or of the decision, with details as to the reason for doing so.
2. Both you and the AMA(WA) will then have 2 weeks (unless the circumstances warrant its extension) to make written submissions to the Minister setting out why the indemnity should not be excluded or withdrawn or why the Minister should reconsider his or her decision.
3. If after considering such submissions, the Minister remains of the view that the indemnity should be excluded or withdrawn, or that the original decision should stand, he or she will give you and the AMA(WA) further written notice to that effect with details as to the reason for doing so.
4. You or the AMA(WA) may within 2 weeks of receipt of the Minister's further notice under sub-clause 3 request the Minister to convene a review panel.
5. The review panel will consist of:
 - Chief Medical Officer, Department of Health
 - Director, Legal & Legislative Services, Department of Health (or nominee)
 - Representative of the AMA(WA) nominated by the President.
6. The review panel, after consideration of the information available to it, may make such recommendation as it thinks fit to the Minister.
7. The Minister shall exercise his or her discretion having regard for the advice of the Review Panel.
8. The confidentiality provisions of these Terms and Conditions shall apply to this process. This process shall not affect either parties' legal rights.
9. This clause 22 survives expiry of these Terms and Conditions or withdrawal or exclusion of the Indemnity by the Minister.

Expedited Review

In respect of issues arising under clause 4 only, if the Minister determines based on time limited circumstances that are beyond the control of the Minister that the time frames above cannot be met in particular circumstances the Minister may shorten the timeframes or in extremely urgent situations, including but not limited to time limited settlement proposals, after notifying both you and the AMA(WA), and if you still request a review, proceed direct to the review panel stage.

23. DEFINITIONS AND INTERPRETATION

23.1 Definitions

In these Terms and Conditions unless the context otherwise requires:

Business Day means a day not being a Saturday, Sunday or Public Holiday on which banks are open for general banking business in Perth.

Claim means any claim, demand, action, lawsuit or proceeding howsoever described in respect of an Indemnified Incident and of a civil nature whether against you or the Hospital.

Effective Date means the later of 1 August 2006 or the date of signing of the Application by the Minister.

Employment Contract means your contract of employment with the Minister.

Hospital means the hospital or health care institution at which you are employed or are placed on secondment from time to time, and also for the purposes of these Terms and Conditions includes any other place where you provide Medical Services with the express permission of the Minister.

Indemnified Incident means, and is strictly limited to, any:

- (a) negligent act or omission; or
- (b) trespass against the person,

by you occurring whilst actually providing Medical Services.

Indemnity means the indemnity and waiver given in Clause 1 of these Terms and Conditions.

Loss means the total amount which you or the Minister become liable to pay on account of all Claims and Potential Claims made against it or you for Indemnified Incidents in respect of which these Terms and Conditions apply, including, but not limited to, costs (as either agreed by the Minister or as taxed), charges and expenses incurred in the defence of Claims and Potential Claims and appeals therefrom, damages (other than punitive, aggravated or exemplary damages) and settlement costs, but does not include fines or penalties.

Medical Board means the Medical Board of Western Australia and any other tribunal performing disciplinary functions of a similar nature to that Medical Board.

Medical Services means:

- (a) medical services and treatment provided within the scope of your Employment Contract or otherwise in an emergency only;
- (b) carrying out a pre-operative anaesthetic examination prior to any procedural intervention the subject of the Medical Services;

to both public and, subject to clause 1.2 (b), private patients at the Hospital;

- (c) obtaining the written consent to any procedural intervention the subject of the Medical Services in accordance with the requirements of Clause 8(c)(v) of these Terms and Conditions;
- (d) participation in authorised clinical governance activities including those referred to in clause 8 of these Terms and Conditions;
- (e) any other services approved by the Hospital from time to time; and
- (f) any other services as agreed in writing between the Minister and the AMA(WA) from time to time.

Minister means the Minister for Health

Non-Salaried Medical Practitioners means medical practitioners authorised by the Minister to provide medical services but not engaged by way of an employment contract.

Party means you or the Minister as the context requires.

Potential Claim means where:

- (a) you do, or omit to do, anything which you know or reasonably ought to know may give rise to a Claim; or
- (b) an allegation is made against you which is of such a nature as to reasonably suggest that a Claim may be made against you.

Record of Health Care Claims History means a record of the number of health care claims, or incidents that may give rise to health care claims, notified to your professional indemnity provider (whether public or private), including date of notification of each health care claim, date and brief description of each relevant incident and, if known by you and subject to any confidentiality requirements of any settlement, the compensation range within which the health care claim fell, or is estimated to fall, as follows:

- (i) < \$50,000
- (ii) \$50,000 - < \$100,000
- (iii) \$100,000 - <\$250,000
- (iv) \$250,000 - <\$500,000-
- (v) \$500,000 - <\$1,000,000
- (vi) \$1,000,000 +.

Sentinel Events refer to those rare events that involve patients under your care at the time of the event that lead to catastrophic outcomes. These events include but are not necessarily limited to:

- (a) procedures involving the wrong patient or wrong body part;
- (b) suicide of a patient in an inpatient unit;
- (c) retained instruments or other material after surgery requiring re-operation or further surgical procedure;
- (d) intravascular gas embolism resulting in death or neurological damage;
- (e) haemolytic blood transfusion reaction resulting from ABO compatibility;
- (f) medication error leading to the death of a patient reasonably believed to be due to incorrect administration of drugs;
- (g) maternal death or serious morbidity associated with labour or delivery;
- (h) infant discharged to wrong family or infant abduction; and
- (i) other catastrophic event resulting in serious patient harm or patient death.

Term means the period(s) you are or were employed under a valid Employment Contract with the Minister.

You means the person in respect of the indemnity from the Minister and **Your** has its corresponding ordinary meaning.

24.2 Interpretation

In these Terms and Conditions unless the context otherwise requires:

- (a) the expression person includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (b) the expressions "in particular", "including", "includes" and "include" have the meaning as if followed by "without limitation";
- (c) a reference in any clause to an "example" does not limit the generality of the clause;
- (d) a reference to any authority, institute, association or body is:
 - (i) if that authority, institute, association or body is reconstituted, renamed or replaced or if the powers or functions of that authority, institute, association or body are transferred to another organisation, deemed to refer to the reconstituted, renamed or replaced organisation or to the organisation to which the powers or functions are transferred, as the case may be; and
 - (ii) if that authority, institute, association or body ceases to exist, deemed to refer to the organisation as serves substantially the same purpose or object of that authority, institute, association or body;
- (e) a reference to these Terms and Conditions or to any other deed, agreement, document or instrument includes, respectively, these Terms and Conditions or such other deed, agreement, document or instrument as amended, novated, ratified, supplemented, varied or replaced from time to time;
- (f) where any word or phrase is given a defined meaning any other part of speech or other grammatical form in respect of such word or phrase has a corresponding meaning;
- (g) words importing the singular include the plural and vice versa;

- (h) one gender includes every gender;
- (i) a reference to Party includes a reference to its executors, administrators, successors or permitted assigns, including any person taking by way of novation.
- (j) clause headings are for convenience only and do not affect the interpretation of the Terms and Conditions;
- (k) a reference to a clause is a reference to the corresponding clause to these Terms and Conditions;
- (m) all obligations of each Party pursuant to these Terms and Conditions will be completely at the cost of that Party, unless expressly provided otherwise in these Terms and Conditions; and
- (n) the Minister may act through the Minister's officers and employees.