

Maternity Services Reforms

More choice for women – indemnity insurance for midwives

Indemnity insurance - protection for midwives

How these reforms will help privately practising midwives

Privately-practising, eligible midwives will be able to access Australian Government supported professional indemnity insurance from 1 July 2010.

Why this support is needed

Most midwives in Australia work as employees – usually in public or private hospitals, or as part of private medical practices and are covered by their employers' insurance. Insurers do not currently offer a product for privately-practising midwives. There are a number of reasons - they represent a very small potential premium pool and there is a lack of accurate and up-to-date data on claims.

Affordable, Government supported insurance will be made available to privately practising midwives who wish to purchase it – provided they meet the eligibility requirements under the reforms. This insurance will not, however, cover the planned delivery of babies in the home – for which there is a two year exemption from the requirement under the National Registration and Accreditation Scheme for midwives to hold professional indemnity insurance. It should be noted that the exemption relates only to the actual homebirth.

What the reforms will mean for Australian families

Pregnant women and new mothers will have more choice in maternity care because the clients of eligible midwives with professional indemnity insurance will be able to access services subsidised by the Government through the Medicare Benefits Schedule (MBS) and Pharmaceutical Benefits Scheme (PBS).

How midwives will qualify

Eligible midwives must be registered and meet the additional practice requirements that will also enable them to access the new MBS and PBS arrangements.

How the reforms will work

The Government will contract with an insurer to provide appropriate professional indemnity insurance.

For each claim over \$100,000, the Government will pay 80 cents in the dollar from \$100,000 up to \$2.0 million, and 100 cents in the dollar for the portion of the claim that exceeds \$2.0 million. The Government will also pay the same level of subsidy for each claim made after an eligible privately practising midwife leaves the midwifery workforce, for example, when they retire.

At a glance

Cost to midwives

- The premium for a midwife in full time practice is expected to be around \$7,500 per year.

Cost to Government

- \$25.2 million over four years

When this will start

- From 1 July 2010.