

GUEST COLUMN: Liability of a Medical Director: Properly Addressing the Responsibility

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Not every medical director is created equal. The perception of this position can vary from a crucial responsibility within a healthcare system to an accolade agreed upon for a med spa.

The discrepancy may not seem like a big deal, but this label can create exposure and responsibility in overall operations and patient care at a facility.

Sounds complex, but when the appropriate attention is dedicated to the development of this role specific to each group's structure and insurance coverage, the responsibility and liability of your medical director becomes much clearer.

What is a Medical Director Involved in?

A medical director will have significant involvement in many aspects of policies and governance within an organization including setting and adhering to protocols, coordinating staffing and patient care, overseeing the hiring and quality of providers, ensuring regulatory compliance, and managing the appropriate purchasing of medical equipment.

This defined position is common or required at several types of facilities including [hospital departments](#), [nursing homes](#), [ambulatory surgery centers](#), and [allied health care centers](#).

Degree of Risk

When taking on a medical director position at your organization, the role's responsibilities should be stated in the employee agreement for an internal position or external contract. The description of the role should be clear and concise to avoid any confusion in responsibilities along with defining where direction is coming from for all team members.

In the event of an undesired medical event or regulatory concern, the medical director can be targeted for items such as negligence in hiring and training practices, adhering to medical standards, meeting contractual agreements, HIPAA and Medicare compliance, and improper supervision among many others.

Resources to assist in developing a medical director role would be governmental bodies such as CMS, national medical associations like AMA, your insurance broker, and your liability insurance company.

Insurance Coverage and Shortfalls

A medical director may be an internal function or external arrangement. In both situations there are often misconceptions about where insurance coverage would fall.

Many physicians believe their medical professional liability policy covers these duties when, in actuality, it generally does not or is narrowly defined.



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In other instances, management assumes that the directors & officer's policy will provide coverage but are uncertain whose policy that would apply to in contractual agreements of medical directorship.

Finally, some practices do not have directors and officer's coverage, or are aware of lack of coverage under a medical professional policy but have not investigated further into a solution.

Key Takeaway

Medical directors are a key component to patient care, compliance, and operational governance for many organizations. The liabilities associated with this responsibility should be carefully evaluated to ensure internal best practices and insurance solutions to protect against the risk.

Please reach out to your [M3 Healthcare team](#) for further discussion and information regarding your medical director position's role, responsibility, and liability.

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