RESOLUTION - ACTION REQUESTED 2014-526

MEETING: October 14, 2014

TO: The Board of Supervisors

FROM: Steve Dahlem, County Counsel/Interim HR Director-Risk Manager

RE: Medical Malpractice Program Extended Participation Agreement

RECOMMENDATION AND JUSTIFICATION:
Approve the Medical Malpractice Extended Participation Agreement with the California State Association of Counties-Excess Insurance Authority (CSAC-EIA) and authorize the Board of Supervisors Chair to sign the Extended Participation Agreement. The CSAC-EIA is asking members for a commitment to remain in the program for a two-year period from October 1, 2014 to October 1, 2016. By committing to a two-year period, this will provide the County with a reduction in the program premium. In order to be eligible for the premium reduction, the Extended Participation Agreement must be signed.

Mariposa County has been participating in this program since January 1991 and with its participation, the County realizes a cost-savings because we are in a pool of counties which affords us a lower premium. A stand-alone policy for this kind of coverage would most likely have a higher premium.

BACKGROUND AND HISTORY OF BOARD ACTIONS:
On November 12, 2013, the Board authorized the Chair to sign the Extended Participation Agreement for a two-year period from October 1, 2013 to October 1, 2015. By signing the Agreement at that time, the County was eligible for a premium reduction.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:
Do not authorize the signing of the Extended Participation Agreement. A negative action would result in Mariposa County having to pay a higher premium to participate in the Medical Malpractice Program.

FINANCIAL IMPACT:
Premiums for participation in this program are included in the Health and Behavioral Health budgets.

ATTACHMENTS:
Med Mal Participation Agreement (PDF)

CAO RECOMMENDATION
Requested Action Recommended
RESULT: ADOPTED BY CONSENT VOTE [UNANIMOUS]
MOVER: Merlin Jones, District II Supervisor
SECONDER: John Carrier, District V Supervisor
AYES: Stetson, Jones, Bibby, Cann, Carrier
This Extended Participation Agreement ("Agreement") is entered into by and between the CSAC-EIA ("EIA") and the participating members of the Medical Malpractice Program ("Program"), consisting of counties and other public entities ("Public Entity").

WHEREAS, on September 12, 2014, the EIA's Medical Malpractice Committee ("Committee") approved an extended participation requirement for participating members covering the period from October 1, 2014 to October 1, 2016 (two-years); and

WHEREAS, the Program's excess carrier, Lexington Insurance, has agreed to extend their coverage commitment to October 1, 2016 and have agreed to provide a discount in their premium to the Program if a minimum number of participating members individually commit to not withdraw from the Program for two years; and

WHEREAS, the Committee has approved a plan in which participating members will be given the choice of executing this Agreement in exchange for a premium reduction. If a participating member fails to execute this Agreement the participating member will not receive this reduction.

NOW, THEREFORE, in consideration of the mutual promises and agreements made herein, the parties hereby agree as follows:

1. **Premium Discount.** Participating members who execute this Agreement shall receive a discount in premium as approved by the Committee, subject to paragraph 3.

2. **Term of Agreement.** The term of this Agreement is two years beginning October 1, 2014 until October 1, 2016 and each participating member hereby agrees not to withdraw from this Agreement prior to October 1, 2016.

3. **Minimum Participation.** In order for the Program to receive the agreed discount a certain minimum number of participating members has been agreed to by the Committee and Lexington Insurance. If a sufficient number of participating members fail to execute this Agreement as set forth in paragraph 4, the Program will not receive the agreed discount. If the minimum participation is not met, individual participating members that executed this Agreement will not receive the agreed discount and will be released from the terms of this Agreement.

4. **Time for Execution of Agreement.** Participating members shall have until January 1, 2015, to execute this Agreement.
5. **Future Commitments.** Participating members agree that the Committee may consider such two-year commitments in the future.

6. **Agreement and Amendment.** This Agreement contains the entire understanding and agreement of the parties and there have been no promises, representations or agreements by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the parties to this Agreement and by no other means.

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10/1/2014

Dated

CSAC Excess Insurance Authority
Chief Executive Officer/Secretary

10/14/14

Dated

Authorized Representative
Of (Member Name) County of Mariposa

Please Print Name: Kevin Cann

APPROVED AS TO FORM:

[Signature]

STEVEN W. DAHLEM
COUNTY COUNSEL