



## Legislation Details (With Text)

**File #:** 21-0069      **Version:** 1

**Type:** Agenda Item      **Status:** Continued

**File created:** 1/6/2021      **In control:** Board of Supervisors

**On agenda:** 1/26/2021      **Final action:** 1/26/2021

**Title:** Human Resources Department, Risk Management Division, recommending the Board approve and authorize payment of invoice 21900075 in the amount of \$1,531.71, for a penalty charged by PRISM for the delinquent payment of the Medical Malpractice Insurance premium for the period 10/1/20 through 10/1/21.

FUNDING: Liability Fund.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. A - Prism Memo, 2. B - Invoice 21600023 Medical Malpractice Invoice, 3. C - Invoice 210900075 Delinquent Invoice

| Date      | Ver. | Action By            | Action    | Result |
|-----------|------|----------------------|-----------|--------|
| 1/26/2021 | 1    | Board of Supervisors | Continued | Pass   |

Human Resources Department, Risk Management Division, recommending the Board approve and authorize payment of invoice 21900075 in the amount of \$1,531.71, for a penalty charged by PRISM for the delinquent payment of the Medical Malpractice Insurance premium for the period 10/1/20 through 10/1/21.

**FUNDING:** Liability Fund.

**DISCUSSION / BACKGROUND**

On 7/14/20 the Human Resources Risk Management Division received approval from the Board (Legistar 20-0851) to pay the Risk Management Insurance premiums and coverages to PRISM. This included the medical malpractice premium.

Since the release of the premium estimates presented to the Board in July, there was a significant increase in the actual premium for medical malpractice. The actual premium was \$231,684 with a \$33,531 administration fee, with a payment due date of 10/31/2020. As such, on November 9, 2020 questions arose regarding the large variation between the estimate and the actual invoiced premium. The estimated premium as presented to the Board was \$237,481 in July. The actual premium was \$265,215. An increase of 12%. On 12/2/20, the Human Resources Risk Management Division obtained Board approval to pay the increased premium amount (Legistar 20-1579) . The check was delivered to the PRISM office on December 4, 2020.

On November 18, 2020 PRISM informed County staff that payment was delinquent and a late fee could be assessed. In an effort to avoid the late fee Risk staff wrote to the executive committee at PRISM asking for relief. On January 4, 2020 the County was notified by PRISM that relief was not granted and the County was presented with a delinquent invoice in the amount of \$1,531.71 with a due date of February 3, 2021.

In the future Human Resources, Risk Management Division will ensure the wording in the Board item is consistent with the estimated premium increase for both the premium and administrative fee.

**ALTERNATIVES**

The Board could not approve this payment and notify PRISM; however, non payment of invoices may result in cancellation from the program.

**PRIOR BOARD ACTION**

7/14/20 Legistar 20-0851

8/4/20 Legistar 20-1032

12/2/20 Legistar 20-1579

**OTHER DEPARTMENT / AGENCY INVOLVEMENT**

CAO, Human Resources, Risk Management Division

**CAO RECOMMENDATION / COMMENTS**

Approve as recommended.

**FINANCIAL IMPACT**

There will not be an increase to net county cost as payment of the invoice will be made from the General Liability Program Fund.

**CLERK OF THE BOARD FOLLOW UP ACTIONS**

None.

**STRATEGIC PLAN COMPONENT**

Good Governance

**CONTACT**

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