



County of El Dorado

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Legislation Text

File #: 21-0460, **Version:** 1

Human Resources Department, Risk Management Division, recommending the Board approve and authorize payment of Invoice 21900075 in the amount of \$1,531.71, 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. 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. The actual premium was \$265,215. An increase of 12%. The Human Resources Risk Management Division took this invoice back to the board on 12/2/20 (Legistar 20-1579) and received approval to pay the increased premium amount.

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.

In the future, the 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.

This was brought to the Board on January 26, 2021 (Legistar 21-0069) and continued for further discussion.

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 - Estimated Premium approval.

8/4/20 Legistar 20-1032 - CSAC-EIA and Prism name change clarification.

12/2/20 Legistar 20-1579 - Revised premium amount to the Board.

1/26/21 Legistar 21-0069 - Continued penalty payment item.

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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