



**County Counsel
COUNTY OF TULARE
AGENDA ITEM**

BOARD OF SUPERVISORS

KUYLER CROCKER
District One

PETE VANDER POEL
District Two

AMY SHUKLIAN
District Three

EDDIE VALERO
District Four

DENNIS TOWNSEND
District Five

AGENDA DATE: March 26, 2019

Public Hearing Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Scheduled Public Hearing w/Clerk	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Published Notice Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Advertised Published Notice	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Meet & Confer Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Electronic file(s) has been sent	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Budget Transfer (Aud 308) attached	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Personnel Resolution attached	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s)	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
CONTACT PERSON: Angela Rose PHONE: 559-636-4956				

SUBJECT: Budget adjustment to refund excess funds from the Medical Malpractice Reserve Fund to HHSA

REQUEST(S):
That the Board of Supervisors:

Approve a Budget adjustment per the attached AUD 308 to increase the Medical Malpractice budget by \$550,000 in order to refund excess reserve funds from the Medical Malpractice Reserve Fund back to HHSA (4/5 vote required).

SUMMARY:

The County purchases medical malpractice insurance coverage through the CSAC Excess Insurance Authority (CSAC-EIA) for the County's HHSA healthcare operations. In conjunction with CSAC-EIA, the Risk Management Division of the County Counsel's office establishes liability reserves for potential malpractice claims that include an amount for estimated claims payable, including expenses and an accrual for claims incurred but not yet reported. Claims liabilities are calculated considering the effects of inflation, recent claims settlement trends, including frequency and the amount of payouts, as well as economic and social factors affecting claims values. The liability reserves, which are derived from charges against HHSA healthcare programs, are held in an insurance internal service fund and paid out as needed.

As required by CSAC-EIA, an actuarial report on the County's Medical Malpractice Reserve Fund was completed for fiscal year 2017/2018 and received in fiscal year 2018/2019. The actuarial report determined the Medical Malpractice Reserve Fund

SUBJECT: Budget adjustment to refund excess funds from the Medical Malpractice
DATE: Reserve Fund to HHSA
March 26, 2019

to be funded in excess of the 100% confidence level based upon claims history and thus that there are excess monies in the Fund.

This information was submitted to the State of California with the County's Cost Allocation Plan (COWCAP) computations. The State questioned the County's plans for the use of the excess monies. Following State guidelines, the fund balance in the Medical Malpractice Reserve Fund should be reduced by transferring the excess back to HHSA. Reimbursement to HHSA will be in the amount of \$550,000.


FISCAL IMPACT/FINANCING:

This action will be cash transferring between departments and therefore have no net County Cost.

LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

The County's five-year strategic plans included the Organizational Performance Goal to help guide departments to improve public services. This action will help ensure the County's COWCAP approval will not be delayed by this department proactively refunding the excess funds.

ADMINISTRATIVE SIGN-OFF:


Deanne H. Peterson
County Counsel

cc: County Administrative Office
Auditor
HHSA

Attachment(s) AUD 308

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**BEFORE THE BOARD OF SUPERVISORS
COUNTY OF TULARE, STATE OF CALIFORNIA**

IN THE MATTER OF)
BUDGET ADJUSTMENT TO REFUND) Resolution No. _____
EXCESS FUNDS FROM THE MEDICAL)
MALPRACTICE RESERVE FUND TO HHSA)
)

UPON MOTION OF SUPERVISOR _____, SECONDED BY
SUPERVISOR _____, THE FOLLOWING WAS ADOPTED BY THE
BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD _____
_____, BY THE FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST: JASON T. BRITT
COUNTY ADMINISTRATIVE OFFICER/
CLERK, BOARD OF SUPERVISORS

BY: _____
Deputy Clerk

* * * * *

Approved a budget adjustment per the attached AUD 308 to increase the Medical Malpractice budget by \$550,000 in order to refund excess reserve funds from the Medical Malpractice Reserve Fund back to HHSA.

AUD-308 - Budget Adjustment Form

3:15 PM

March 12, 2019				09/19		2019	
Date		Document ID Number		Accounting Period		Budget Fiscal Year	
County Counsel				Angela Rose		636-4956	
Agency Name				Contact Person		Phone	
						Extension	

Action** A,C,D	Fund	Dept	Appr #				LEVEL 1 Finish Here	Current Amount	Revised Amount	Inc / Dec Amt
A	064	035	0654INTRA					77,483	627,483	550,000
										-
										-
										-
										-
										-
										-
										-
										-
										-
										-
Appropriations Total							<i>Need Not Equal Zero</i>	77,483	627,483	550,000

Action** A,C,D	Fund	Dept	Appr #	Unit	Object	Rev	LEVEL 2 Start Here	Current Amt	Revised Amount	Inc / Dec Amt
A	064	035	0654INTRA	2050	9100				550,000	550,000
										-
										-
										-
										-
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										-
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										-
										-
										-
										-
										-
Line Total							<i>Must Equal Zero</i>	\$ -	\$ 550,000	\$ 550,000

Reason for Adjustment (To Avoid Correspondence, State Reason in Detail)

Set up lines to refund excess equity to HNSA 001-142-3001-9200 and 001-142-3311-9200 lines


Affected Dept Head Signature

Other Affected Dept Head Signature

Checked By: _____
 County Executive Office Action: No. _____ Date: _____
 () Approved () Disapproved

By: _____
 Board of Supervisors Action: No. _____ Date: _____

Entered By: _____
 Date: _____
 Distribution: 1: BOS/CAO/Auditor

** Action Codes: A=Add, C=Change, D=Deactivate
 * Whenever a 93XX account budget is adjusted, a corresponding 94XX account budget must be adjusted in the billing agency, except for ISFs
 * Whenever a 95XX account budget is adjusted, a corresponding 96XX account budget must be adjusted in the billing agency, and vice versa
 * Whenever a 97XX account budget is adjusted, a corresponding 98XX account budget must be adjusted in the billing agency, and vice versa