

**UNIVERSITY OF CALIFORNIA
PROFESSIONAL MEDICAL & HOSPITAL LIABILITY PROGRAM
FY 2009-2010 MALPRACTICE PREMIUM REBATE PROGRAM
THE 6% PRESCRIPTION**

INTRODUCTION:

Office of the President, Office of Risk Services (OPRS) initiated a premium rebate program for the Professional Medical and Hospital Liability Program in the 2006-2007 fiscal year. This program is separate from the *Be Smart About Safety* Program which applies to the General Liability and Workers Compensation Programs. This describes the details of the 6% Prescription Program for fiscal year 2009-2010.

The University of California Professional Medical and Hospital Liability Malpractice Premium Rebate Program is designed to encourage risk reduction initiatives aimed at reducing the cost of risk for the hospitals and schools of medicine. The program encourages clinical loss prevention and patient safety and rewards hospitals and medical groups for developing and implementing specific initiatives.

OVERVIEW OF 2009-2010 FISCAL YEAR PROGRAM:

There are three components to the 2009-2010 6% Prescription Program. The first component provides grant funds to the School of Medicine and Medical Center based on a funding application that identifies the proposed project and what losses the project is intended to reduce. The total amount of the grant funds for this aspect of the program is 2% of the premium paid by the requesting School of Medicine and Medical Center during the 2009-2010 fiscal year. Funds may be requested for one or more purposes but no more than the 2% of premium will be available. Details pertaining to types of projects that may be submitted is provided below.

The second component of the program will be a retrospective award of a maximum of 4% of the premium paid during the 2009-2010 fiscal year, based on a written application documenting the accomplishment of certain goals described below. The qualifying details are summarized below. Questions should be submitted to Terri Kielhorn, Risk Manager, Professional Liability Program, at 510-987-9822 or Terri.Kielhorn@ucop.edu

REBATE SUMMARY

PART I

Element

Grant Funds for Locally Developed Loss Prevention Initiative

Maximum Rebate

2% of premium

Two percent (2%) of combined School of Medicine and Medical Center medical malpractice premium dollars are available based on a funding application (attached) that identifies the proposed project(s) and what professional liability exposures the project is intended to address. Medical Center General Liability and Employment Liability Program and premiums paid by the Schools of Nursing, Dentistry and affiliates (except for SFGH and Fresno) premium funding is excluded since that premium is included in the *Be Smart About Safety* GL funding. SFGH and Fresno have the option of using 3% of grant funds since they are excluded from eligibility for the 1% rebate for completion of the Marsh Risk Assessment Action Plan in Part II below.

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Requests for the 2% grant funds may be made at any time during the fiscal year; however, locations are encouraged to submit early. Medical Center Risk Management offices are expected to coordinate the applications. **Each project submitted for the grant funds must have both School of Medicine and a Medical Center approval if applicable (for example, this is not applicable to SFGH and Fresno).** Multiple requests per site are permitted until the 2% is exhausted. Once the funding application is approved by OPRS, the funds will be transferred to the campus account. The campus must transfer to the appropriate local code. ***The funds must be used for the approved project; failure to apply the funds to the project will result in recoupment of the funds by OPRS.*** Projects will be monitored by OPRS.

PART II

Element

Marsh Risk Assessment Action Plan

Maximum Rebate

1% of Premium

Each medical center must complete and submit a written response to the findings of the Marsh Risk Assessment survey conducted during the Marsh reviews during FY 2008-2009. This project does not pertain to SFGH and Fresno who have the option of using up to 2% of grant funds for loss prevention projects.

Participation in Systemwide Medical Records Project

1% of Premium

Qualification for this rebate will require participation in a systemwide work group to address medical record issues identified in the Marsh report on common issues. Each medical center will be responsible for the adoption and implementation of the identified medical record issues. Credit for the first year will be based on identification of topic specific to medical records and participation in systemwide work group aimed at resolution. Second year will be based on work to implement identified best practices for area selected.

Medical Center and School Departments Allocation of Premium *2% of Premium*

Each School of Medicine and Medical Center must implement allocation to departments using the Bickmore approved methodology. This involves reviewing and categorizing all historical and current malpractice cases to departments and divisions when appropriate, entering the data into the Sedgwick CMS claims system on a continuous basis and applying the allocation methodology to the fiscal year 2009-2010 budget. A written report, signed by the Dean and CEO of the Medical Center attesting to the methodology employed and the amounts paid by the various departments is required.

SUBMISSION REQUIREMENTS

The grant fund application (copy attached) must be used to document requests for grant funds. Submissions may be made at any time but early submission is encouraged to enable early development and implementation of loss prevention initiatives.

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Written requests for the 4% remaining premium funds may be made upon completion of the various components but should be submitted no later than June 30, 2010.

The amount rebated to each campus will be determined by OPRS based on the campus submission of supporting data. The amount earned for each separate identified component may vary at the discretion of OPRS based upon review of the submission(s).

Medical Center Risk Management is expected to coordinate the submission package. Each submission should include information on how any premium will be used to support loss prevention efforts. The premium rebate submission must be signed by the CEO of the Medical Center and Dean of the Medical School and submitted to:

Office of the President
Attn: Manager, Professional Medical & Hospital Liability Program
Office of Risk Services
University of California Office of the President
1111 Franklin Street, 10th Floor
Oakland, California 94607-5200

Notice of this award will be made in writing to the facility Chief Executive Officer and the Dean of the Medical School following receipt of the submissions. Premium rebates will be based on the combined School of Medicine and Medical Center actuarial assessment for the 2009-2010 fiscal year based on the Actuary Report. The money will be transmitted to the accounting code identified by the entity. The Fresno Medical Education Program and SFGH premium rebates will be calculated separately from UCSF Medical Center and UCSF School of Medicine and will be based on the funding allocation attributed to these two programs. ***The rebate premium should be used to encourage and support clinical loss prevention activities.***