

**UNIVERSITY OF CALIFORNIA  
PROFESSIONAL MEDICAL & HOSPITAL LIABILITY PROGRAM  
FY 2011-2012 MALPRACTICE PREMIUM REBATE PROGRAM  
THE 8% 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 8% Prescription Program for fiscal year 2011-2012.

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 2011-2012 FISCAL YEAR PROGRAM:**

There are two components to the 2011-2012 6% Prescription Program. The first component provides grant funds to the School of Medicine and Medical Center based on a funding application. 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 2011-2012 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, Director, Professional Medical and Hospital Liability Program, at 510-987-9822 or [Terri.Kielhorn@ucop.edu](mailto:Terri.Kielhorn@ucop.edu)

**REBATE SUMMARY**

**PART I**

**Element**

*Grant Funds for Locally Developed Loss Prevention Initiative*

**Maximum Rebate**

*2% of premium*

A maximum of two percent (2%) of the combined School of Medicine and Medical Center medical malpractice premium dollars paid during fiscal year 2011-2012 are available for approved requests. The attached application should be used for requests. Funds may be requested for one or more purposes but no more than a total of 2% of premiums will be available.

Projects will be considered on the basis for loss prevention aimed at reducing medical malpractice claims. Applications must be supported by the location claims data projects should on areas of high frequency and high severity as indicated by the location claims data. Medical Center General Liability and Employment Liability Program and premiums paid by the Schools

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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.

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**

### **Maximum Rebate**

*Medical Center and School Departments Allocation of Premium*     *4% of Premium*

Allocation of premium based on loss experience and exposure is a critical underpinning of a successful loss prevention program. To qualify for this rebate, each School of Medicine and Medical Center must implement allocation to departments using the Bickmore approved methodology. Half of the premium will go to School of Medicine for its allocation to departments and half will go to Medical Centers for allocation of premium among its departments.

Criteria involves:

- Ensuring the location organization structure for premium allocation is current and appropriate
- Reviewing and categorizing all historical and current malpractice cases to location identified Schools and Medical Centers and then to departments and divisions within each, entering the data into the Sedgwick CMS claims system on a continuous basis
- Selecting and applying an allocation model from Bickmore recommendations to the fiscal year 2011-20112 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.

*Adoption and Implementation of EMMI*

*2% of Premium*

OPRS has purchased licenses for EMMI for all UC owned medical centers. Qualification for this rebate will require adoption and substantial implementation of EMMI by the individual

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locations during fiscal year 2011-2012. The amount of the rebate will be dependent on the degree of adoption of use as measured by EMMI data.

*Use of Technology to Prevent Retained Surgical Sponges*

*2% of Premium*

Human error in the counting process is a significant cause of retained sponges. Technical solutions such as Surgicount provide a reliable method to assure a valid sponge count. Reducing retained sponges through reliable technology contributes to improved patient safety, enhances hospital reputation and avoids regulatory and legal expenses.

**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.

Written requests for the remaining premium funds may be made upon completion of the various components but should be submitted no later than June 30, 2012.

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: Director, Professional Medical & Hospital Liability Program  
Office of Risk Services  
University of California Office of the President  
1111 Franklin Street, 10<sup>th</sup> Floor  
Oakland, California 94607-5200

Premium rebates will be based on the combined School of Medicine and Medical Center actuarial assessment for the 2011-2012 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.