



**BOARD OF SUPERVISORS
AGENDA LETTER**

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: General Services
Department No.: 063
For Agenda Of: 7/6/2010
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Bob Nisbet, Director, General Services (560-1011)
Director(s)
Contact Info: Luci Rogers, Asst Director, General Services (884-6866)

SUBJECT: Primary Workers' Compensation MOU and Settlement Authority

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: N/A

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve and authorize the Chair to execute the Memorandum of Understanding, Primary Workers' Compensation Program, with CSAC Excess Insurance Authority (CSAC-EIA).
- b) Authorize the Board of Supervisors' appointed board member of the CSAC-EIA to execute any future amendments to the Memorandum of Understanding and such other documents that may be needed related to the Primary Workers' Compensation Program.
- c) Authorize the Director of General Services to provide concurrence on behalf of the County of all settlements, including Compromise & Releases, Stipulations, or Findings & Awards proposed by the Third Party Administrator before being submitted to CSAC-EIA for payment approval.

Summary Text:

The Board approved change for the Workers' Compensation coverage to be moved from the CSAC-EIA Excess Workers' Compensation program to the CSAC-EIA Primary Workers' Compensation program (PWC) was implemented July 1, 2010. CSAC-EIA accepted the Board Resolution as confirmation for acceptance into the PWC. The attached Memorandum of Understanding (MOU) is required to be signed by all Member Entities entering the program. The MOU may be amended from time to time, only after recommendation by the PWC Committee and approval by the member entities. Staff is requesting authority to sign any such further amendments on behalf of the County.

Paragraph 2 of the MOU established a PWC Committee comprised of 9 members. Effective July 1, 2010, Luci Rogers, Assistant Director of General Services and CSAC-EIA board member, was appointed as an alternate position on that Committee. The Committee has authority to settle all claims affecting the PWC.

Under the PWC, Third Party Administrators (TPA), are responsible for administering the claims. CSAC-EIA contracts directly with the TPA, and Member Entities choose from an approved list. The County chose CorVel from that list. The attached letter from CSAC-EIA clarifies the process for settlement authority under the PWC. The TPA is granted authority up to \$25,000 in new money to settle any claims. However, there is a required 15 day written advance notice that the TPA must provide to both the County and CSAC-EIA to allow time for either to object. If there is an objection, the settlement could not proceed until both the County and CSAC-EIA concur. For claims over \$25,000 the TPA must receive written authorization from the County and CSAC-EIA in advance prior to entering into any kind of settlement. To facilitate this process, staff requests that the County's concurrence for all claims funded by the annual premium paid by the County be delegated to the Director of General Services. The authority under the self-insured settlements (for claims with dates of injuries prior to July 1, 2010) would not be affected.

Background:

On April 20, 2010, the Board of Supervisors approved the change for Workers' Compensation to move from the CSAC-EIA Excess Workers' Compensation to the CSAC-EIA Primary Workers' Compensation program. Luci Rogers, Assistant Director of General Services, was appointed by the Board of Supervisors on November 10, 2008, to represent the County on the CSAC-EIA Board of Directors.

Fiscal and Facilities Impacts:

Budgeted: Select_Budgeted

Fiscal Analysis:

Narrative: There is no fiscal impact.

Special Instructions:

Send executed MOU and minute order to Luci Rogers, General Services Dept.

Attachments:

1. Memorandum of Understanding Primary Workers' Compensation Program between CSAC-EIA and Member Entity, Santa Barbara County.
2. Letter from CSAC-EIA

Authored by: Luci Rogers, Assistant Director, General Services Department