

Agenda Item N.9.

Committee Finance

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Introduced by: Finance 09/27/07
Recommendation: Approval
Action by Board:
Vote: Yes, No, Absent, Seat Vacant



RESOLUTION 2007-142
SUPPORTING THE CONCEPT OF THE BOROUGH'S DISSOLUTION OF
THE HOSPITAL LIABILITY TRUST

1. **WHEREAS**, KENAI PENINSULA BOROUGH, as Trustor established the HOSPITAL LIABILITY TRUST in 1990 for the purpose, among others, of funding a self-insured retention trust fund for payment of claims of hospital liability, malpractice, and professional negligence liability alleged by third parties against the beneficiaries, including but not limited to the Borough and Central Peninsula General Hospital, Inc. ("CPGH, Inc."); and
2. **WHEREAS**, neither the Borough nor CPGH, Inc. has ever adopted a total self-insurance model for payment of claims of hospital liability, malpractice, and professional negligence liability, but CPGH, Inc. instead has used a combination of purchased insurance and deductible; and
3. **WHEREAS**, the Borough retained the power to revoke the Hospital Liability Trust, and the Borough Administration is reviewing the concept of the dissolution of the Hospital Liability Trust and options related thereto; and
4. **WHEREAS**, the Borough Administration has requested CPGH, Inc.'s position on the concept of dissolution of the Trust, and has indicated that if CPGH, Inc. supports the concept of dissolution, then the Borough will consult with CPGH, Inc. regarding the timing of dissolution and the disbursement of the Trust's funds; and
5. **WHEREAS**, the continued maintenance of the Hospital Liability Trust may cause the Borough and the Hospital to incur unnecessary costs in light of CPGH, Inc.'s existing insurance program which utilizes a combination of purchased insurance and deductible; and
6. **WHEREAS**, the continued maintenance of the Hospital Liability Trust appears to be unnecessary;

THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF CENTRAL PENINSULA GENERAL HOSPITAL, INC., A NOT-FOR-PROFIT ALASKA CORPORATION, THAT:

SECTION 1. The Board of Directors of CPGH, Inc. supports the concept of the Borough's dissolution of the Hospital Liability Trust.

SECTION 2. The Board of Directors of CPGH, Inc. requests that the Borough consult with CPGH, Inc. regarding the timing of dissolution and the disbursement of the Trust's funds.

SECTION 3. This resolution is effective immediately.

I certify that the above resolution was approved by vote of the Board of Directors of Central Peninsula General Hospital, Inc. at the 09/27/07 Board meeting.

DATED: 9/27/07



THOMAS R. BOEDEKER, Secretary/Treasurer
CPGH, Inc. Board of Directors