KENAI PENINSULA BOROUGH

RESOLUTION 87-94 (SUBSTITUTE)

AUTHORIZING AN INDEMNITY AGREEMENT BETWEEN THE CENTRAL PENINSULA HOSPITAL SERVICE AREA AND THE EMERGENCY ROOM PHYSICIANS; AND TRANSFERRING A PORTION OF THE FUNDS NECESSARY FOR FUNDING THE INDEMNITY AGREEMENT.

WHEREAS, at the request of the service area board, local physicians, and the public, the operator of the Central Peninsula General Hospital, Lutheran Hospitals and Homes Society of America, instituted a more fully staffed emergency room facility several years ago; and

WHEREAS, the original arrangement entered into for emergency room staffing was with a private group of physicians who had to make arrangements for their own malpractice insurance coverage; and

WHEREAS, as of July 1, 1987 these physicians are able to be provided coverage under the Lutheran Hospitals and Homes Society of America insurance policies; and

WHEREAS, the insurance for the past emergency room services will terminate unless further premiums are paid which include extended time duration coverage for the emergency room physicians services prior to July 1, 1987; and

WHEREAS, the additional premiums that would be due become a cost of operation of the hospital in order to maintain emergency room service; and

WHEREAS, the emergency room physicians proposed the service area fund the additional premiums to continue coverage for past actions; and

WHEREAS, the service area board proposed an alternative indemnity agreement between the service area and the emergency room physicians instead of the extended insurance coverage; and

WHEREAS, the service area board has recommended approval of an indemnity agreement between the service area and the physicians to provide up to $100,000 indemnity for claims or defense of claims for each occurrence with a maximum aggregate amount for all claims of $400,000 under the agreement; and

WHEREAS, this indemnity agreement appears to be a cost effective alternative and would thus assist continued responsible emergency medical care to cover the potential gaps in insurance coverage;

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NOW THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

Section 1. That the assembly hereby authorizes the mayor to execute and enter into an indemnity agreement on behalf of the Central Peninsula Hospital Service Area in providing indemnity to emergency room physicians in substantial compliance with the terms of the attached agreement.
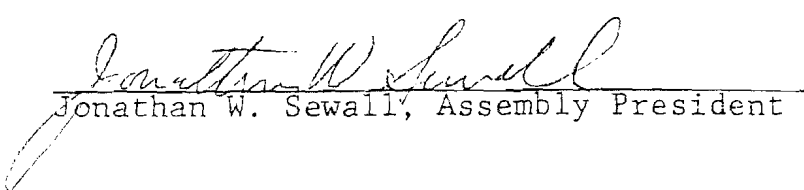
Section 2. That currently appropriated funds be transferred from the service area contingency account No. 600-811-010-49999 in the amount of $100,000 to an account to be established for this purpose and which will be encumbered to meet any obligation under the agreement. That this agreement is subject to appropriations and availability of funds to fully fund any obligations that might exist under the agreement. If no additional or insufficient funds are appropriated to fund any obligations under the agreement, the Central Peninsula Hospital Service Area and borough shall have no obligation under the agreement except to the extent of funds appropriated for that purpose.

Section 3. That insofar as this resolution establishes terms or conditions for the indemnity agreement that are not contained in the agreement, the provisions of this resolution shall control.
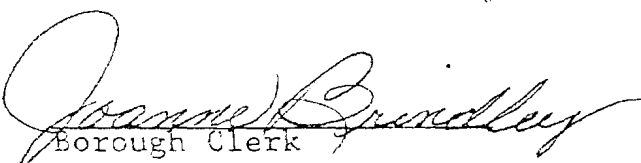
Section 4. That funds, if any, appropriated for the purpose of funding this agreement shall be encumbered for the life of the agreement and shall not lapse except in accordance with the terms of the agreement. At that time, funds shall lapse back into the service area unappropriated fund balance.

Section 5. That this resolution takes effect immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON THIS ___13th___ DAY OF _____October_____, 1987.

Jonathan W. Sewall, Assembly President

ATTEST:

Borough Clerk

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