

POLICIES AND PROCEDURES FOR
HANDLING CLAIMS AND LITIGATION OF THE
MARIN HEALTHCARE DISTRICT

Adopted: February 26, 1991
Reviewed: September 23, 2002

The Chair of the Board and Legal Counsel shall be immediately informed of claims against the District and litigation involving or affecting the District, and shall promptly notify all Board Members of the claim or litigation.

The Management, Finance and Audit Committee, including the Chair of the Board, shall make decisions relating to the handling of claims against the District.

The District Board shall make decisions relating to the handling of litigation involving or affecting the District.

Subject to the direction of the District Board, the Chair shall oversee and monitor the processing of claims against the District and the on-going defense of the District's interests in litigation involving or affecting the District.

1. Notice of Claims and Litigation:

A. Reporting of Claims and Litigation:

- (1) Members of the District Board who become aware of claims against the District or of actual or potential litigation involving or affecting the District shall immediately notify the Chair of the Board and District Legal Counsel.
- (2) Legal Counsel or any other person authorized to accept service on behalf of the District shall immediately notify the Chair of the Board if he/she becomes aware of a claim against the District or of actual or potential litigation involving or affecting the District.
- (3) The Chair shall promptly notify all Board Members of claims filed against the District or litigation involving or affecting the District.

B. Service or Receipt of Documents:

Upon service or other receipt of any documents pertaining to claims or litigation (such as a claim, complaint, summons, subpoena, etc.) by any Member of the Board, Legal Counsel or other representative of the District authorized to accept the receipt of such documents, relating to claims against the District or litigation involving or affecting the District, such

documents shall be immediately forwarded to Legal Counsel.

C. Definitions:

- (1) "Litigation involving the District" means litigation in which the District, or a District Board Member in his/her official capacity as a District Board Member, is a named party.
- (2) "Litigation affecting the District" means litigation in which the District, or a District Board Member in his/her official capacity as a District Board Member, although not a named party, (i) has been named as a potential party in litigation; (ii) is referred to in the allegations of the litigation relating to actions (past or present) of the District; or (iii) is otherwise potentially affected by the conduct (such as notice of deposition or service of a subpoena) or requested outcome of the litigation.
- (3) "Claims against the District" means claims filed under the California Governmental Tort Claims Act in which the District, or a District Board Member in his/her official capacity as a District Board Member, is a named party.

2. Handling of Claims and Litigation Against the District:

A. Subject to these Policies and Procedures, upon receiving a claim against the District or notice of litigation involving or affecting the District, the Chair, after consulting with Legal Counsel, may take any actions immediately necessary to safeguard the interests of the District with respect to the claim or litigation.

B. Tender of Claims and Litigation:

- (1) The Chair, after consulting with Legal Counsel, may tender the defense of any litigation involving or affecting the District, or any claim under the Tort Claims Act, to the District's insurance carrier without the prior approval of the District Board. The notice of any tender shall be forwarded to all Board Members.
- (2) Without the prior approval of the District Board, the Chair may not tender the defense of any litigation involving or affecting the District, or any claim under the Tort Claims Act, to any third party (except the District's insurance carrier) which has agreed to indemnify and/or defend the District.

3. Handling of Claims Against the District:

A. The Management, Finance and Audit Committee shall act as the claims board of the District:

- (1) In discharging its responsibilities under the Tort Claims Act, the

Committee shall include the Chair of the Board, or another Board Member designated by the Chair.

(2) Meetings of the Committee to review claims shall be chaired by the Chair of the Committee.

(3) Any meeting to discuss claims against the District shall be a closed session of the Committee to the extent permitted under the Brown Act.

B. The Chair of the Management, Finance and Audit Committee and the Chair of the Board, with the assistance of Legal Counsel as necessary, shall coordinate on the timing of meetings to review claims against the District.

C. Legal Counsel shall distribute copies of claims, legal memoranda and informational documents to all Board members at the same time such claims, memoranda and documents are submitted to the Claims Committee. In addition, copies of all responses or other documents relating the processing and disposition of a claim shall be distributed to all Board Members at the same time.

4. District Board Meetings on Litigation Involving or Affecting the District:

A. Except as provided in Paragraph B below, following receipt of notice of litigation involving or affecting the District, the Chair shall schedule a meeting of the District Board to discuss the litigation and make decisions necessary to safeguard the interests of the District in the litigation.

(1) The meeting shall be scheduled within 14 days of the notice of the litigation to the Chair.

(2) Any meeting to discuss litigation involving or affecting the District shall be a closed session of the Board to the extent permitted under the Brown Act.

B. The meeting of the District Board described in Paragraph A above shall not be required if:

(1) The litigation (i) relates to professional liability claims against the District and/or the Hospital, and (ii) the defense of the litigation is tendered to the District's insurance carrier. The Chair or Legal Counsel shall notify District Board Members of the receipt of such litigation and the actions taken by the Chair; or

(2) Legal Counsel advises the Chair in writing, with a copy to all Board Members, that the meeting is unnecessary or should be delayed.

5. Defense of Claims and Litigation:

A. In accordance with these Policies and Procedures and any decisions of the

District Board, the Chair and one other member selected by the Board, with the assistance of Legal Counsel, shall oversee and monitor the on-going defense of the District's interests in claims against the District and litigation involving or affecting the District.

B. Legal Counsel shall assist the Chair in the monitoring of claims and litigation. Such assistance shall include periodic reports to District Board Members regarding claims and litigation. To the extent possible, such reports shall be prepared by those law firms that represent the District on such matters.

C. Settlement:

(1) Any decision to settle claims against the District shall require the approval of the District Board.

(2) Any decision to settle litigation shall require the approval of the District Board.

6. Miscellaneous:

Nothing in these Policies and Procedures shall be construed to permit a Member of the District Board to participate in any discussions, or receive any confidential or privileged information, relating to claims against the District or litigation involving or affecting the District to which such Board Member is an adverse party.