
Medical Liability Captive Insurance Agency

Description	FY 2011 Actual	FY 2012 Approved	FY 2013 Proposed	% Change from FY 2012
Operating Budget	\$196,378	\$3,181,640	\$2,495,850	-21.6

The mission of the Medical Liability Captive Insurance Agency (“the Captive”) is to provide insurance for local non-profit health centers. The Captive was created by statute in 2008 and is administered by the Chief Risk Officer, Office of Risk Management (ORM). ORM incorporated the Captive and began writing insurance policies in FY 2008. The liability of the agency is limited to the funds available to the Captive participants.

The agency’s FY 2013 proposed budget is presented in the following tables:

FY 2013 Proposed Gross Funds Operating Budget, by Revenue Type

Table RJ0-1 contains the proposed FY 2013 agency budget compared to the FY 2012 approved budget. It also provides FY 2010 and FY 2011 actual expenditures.

Table RJ0-1
(dollars in thousands)

Appropriated Fund	Actual FY 2010	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012	Percent Change*
General Fund						
Local Funds	0	196	2,584	2,430	-154	-6.0
Special Purpose Revenue Funds	210	0	598	66	-531	-88.9
Total for General Fund	210	196	3,182	2,496	-686	-21.6
Gross Funds	210	196	3,182	2,496	-686	-21.6

*Percent change is based on whole dollars.

Note: If applicable, for a breakdown of each Grant (Federal and Private), Special Purpose Revenue type and Intra-District agreement, please refer to Schedule 80 Agency Summary by Revenue Source in the FY 2013 Operating Appendices located on the Office of the Chief Financial Officer's website.

FY 2013 Proposed Operating Budget, by Comptroller Source Group

Table RJ0-2 contains the proposed FY 2013 budget at the Comptroller Source Group (object class) level compared to the FY 2012 approved budget. It also provides FY 2010 and FY 2011 actual expenditures.

Table RJ0-2
(dollars in thousands)

Comptroller Source Group	Actual FY 2010	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012	Percent Change*
11 - Regular Pay - Continuing Full Time	37	-1	0	0	0	N/A
12 - Regular Pay - Other	60	88	0	0	0	N/A
13 - Additional Gross Pay	1	-1	0	0	0	N/A
14 - Fringe Benefits - Current Personnel	16	16	0	0	0	N/A
Subtotal Personal Services (PS)	115	102	0	0	0	N/A
20 - Supplies and Materials	0	0	10	10	0	N/A
40 - Other Services and Charges	95	95	3,172	2,486	-686	-21.6
Subtotal Nonpersonal Services (NPS)	95	95	3,182	2,496	-686	-21.6
Gross Funds	210	196	3,182	2,496	-686	-21.6

*Percent change is based on whole dollars.

Program Description

The District of Columbia Medical Liability Captive Insurance Company operates through the following program:

Medical Liability Captive Operations - is developed to reduce the District's unlimited medical malpractice risks, while providing insurance for local non-profit health centers. The Office of Risk Management underwrites and administers medical malpractice insurance policies to non-profit community health centers and offers gap insurance to Federally Qualified Health Centers for claims that are not covered by the Federal Tort Claims Act.

This program contains the following 2 activities:

- **Oversight** - The Chief Risk Officer, with the assistance of the Captive Advisory Council, continues to advise and oversee the needs and interests of the health centers to ensure that they continue to meet the requirements of the Captive for providing services to their customers and the financial condition of its policyholders; and
- **Growth and Income Strategy and Management** - distributes payments and collects premium and interest income on behalf of the District Medical Liability Captive Insurance Agency for the establishment, operation, and administration of the agency.

Program Structure Changes

The District of Columbia Medical Liability Captive Insurance Agency has no program structure changes in the FY 2013 proposed budget.

FY 2013 Proposed Operating Budget and FTEs, by Program and Activity

Table RJ0-3 contains the proposed FY 2013 budget by program and activity compared to the FY 2012 approved budget. It also provides the FY 2011 actual data.

Table RJ0-3

(dollars in thousands)

Program/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012
(2000) Medical Liability Captive Operations								
(2001) Oversight	196	2,584	2,430	-154	0.0	0.0	0.0	0.0
(2002) Growth and Income Strategy and Management	0	598	66	-531	0.0	0.0	0.0	0.0
Subtotal (2000) Medical Liability Captive Operations	196	3,182	2,496	-686	0.0	0.0	0.0	0.0
Total Proposed Operating Budget	196	3,182	2,496	-686	0.0	0.0	0.0	0.0

(Change is calculated by whole numbers and numbers may not add up due to rounding)

Note: For more detailed information regarding the proposed funding for the activities within this agency's programs, please see **Schedule 30-PBB Program Summary by Activity** in the **FY 2013 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2013 Proposed Budget Changes

The Medical Liability Captive Insurance Agency's (MLCIA) proposed FY 2013 gross budget is \$2,495,850, which represents a 21.6 percent decrease from its FY 2012 approved gross budget of \$3,181,640. The budget is comprised of \$2,429,757 in Local funds and \$66,093 in Special Purpose Revenue funds.

Current Services Funding Level

The Current Services Funding Level (CSFL) is a Local funds ONLY representation of the true cost of operating District agencies, before consideration of policy decisions. The CSFL reflects changes from the FY 2012 approved budget across multiple programs, and it estimates how much it would cost an agency to continue its current programs and operations into the following fiscal year. The initial adjustments in the budget proposal represent changes that should be compared to the FY 2013 CSFL budget and not necessarily changes made to the FY 2012 Local funds budget. The FY 2013 CSFL adjustments to the FY 2012 Local funds budget are described in table 4 of this agency's budget chapter. Please see the CSFL Development section within Volume 1: Executive Summary for more information regarding the methodology used and components that comprise the CSFL.

MLCIA's FY 2013 CSFL Local budget is \$2,429,757, which represents a \$154,357, or 6.0 percent, decrease from the FY 2012 approved Local funds budget of \$2,584,114.

Initial Adjusted Budget

Cost Decrease: Special Purpose Revenue funds were decreased by \$531,433 to align with projected resources.

FY 2012 Approved Budget to FY 2013 Proposed Budget, by Revenue Type

Table RJ0-4 itemizes the changes by revenue type between the FY 2012 approved budget and the FY 2013 proposed budget.

Table RJ0-4

(dollars in thousands)

	PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2012 Approved Budget and FTE		2,584	0.0
Removal of One-Time Funding	Medical Liability Captive Operations	-202	0.0
Consumer Price Index	Medical Liability Captive Operations	48	0.0
FY 2013 Current Services Funding Level Budget (CSFL)		2,430	0.0
No Change		0	0.0
FY 2013 Initial Adjusted Budget		2,430	0.0
LOCAL FUNDS: FY 2013 Proposed Budget and FTE		2,430	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2012 Approved Budget and FTE		598	0.0
Cost Decrease: To align with projected resources	Medical Liability Captive Operations	-531	0.0
FY 2013 Initial Adjusted Budget		66	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2013 Proposed Budget and FTE		66	0.0
Gross for RJ0 - Medical Liability Captive Insurance Agency		2,496	0.0

(Change is calculated by whole numbers and numbers may not add up due to rounding)