
 <p><b>HAWAII HEALTH SYSTEMS</b> CORPORATION "Touching Lives Everyday"</p> <p><b>PROCEDURE</b></p>	<p>Department: General Counsel</p>	<p>Procedure No.: <b>ADM 028B</b></p>
	<p>Issued by: Alice M. Hall General Counsel</p>	<p>Revision No.: 1</p>
<p>Subject: <b>Claims Management and Settlement Procedure</b></p>	<p>Approved by:  Bruce S. Anderson President &amp; CEO</p>	<p>Effective Date: April 19, 2012</p>
		<p>Supersedes Policy: ADM 0028 11/13/08 and ADM 0029 1/29/09</p>
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Reviewed March 4, 2012; Next review by March 4, 2015.

I. **Purpose:** The purpose of this procedure is to provide a process to the Regions and HHSC facilities regarding the management of claims and litigation, whether insured or uninsured, against HHSC. This procedure does not cover Workers Compensation Claims. Pursuant to HRS Section 323F, HHSC is the legal entity that can sue or be sued.

II. **Procedure:**

A. Employment Practice Liability (EPLI) Claims: EPLI claims are managed at the Regions and Facilities by their Human Resources Department (HR) in coordination with Corporate HR, in coordination with General Counsel's office. Equal Employment Opportunity Commission/Hawaii Civil Rights Commission Claims (EEOC/HCRC) are served upon the HR Corporate Department. The filing of a Response is coordinated with the affected Facility. The Corporate HR Department will immediately notify the Insurance Carrier upon receipt of the claim, with a copy to General Counsel. Currently, an early reporting discount on the deductible will apply for timely reporting. Claims that are not reported timely may later be denied coverage in the event further legal action ensues. Further handling of the claim is coordinated between the Facility HR, the Corporate HR Office and General Counsel's Office. The insurance carrier is to be kept apprised of the status of the claim and shall be consulted along with General Counsel before retention of counsel.

In the event litigation ensues, General Counsel is to be notified.

B. Claims Filed by the Facility with DAGS: The facilities must follow the DAGS Protocol for Claims. The State through DAGS purchases insurance under which HHSC is an Insured, for Property, Crime, Fidelity, and Automobile. There is a statutory limit on the amount of authority DAGS has for settlement of Tort claims (Third-Party liability for civil actions). Pursuant to HRS Section 41D-3, that amount currently is \$10,000.00 and the matter must settle within that amount. There is no contribution to settlement of claims over that amount. Tort and Auto claims filed with DAGS against a facility are handled

at the facility level. A Tort claim filed with DAGS may be simultaneously filed with an insurance carrier where coverage may be afforded. All other covered claims fall under the applicable State policy deductible and are to be reported to General Counsel's office.

- C. Potential Claims: All Potential claims are to be timely reported to General Counsel where they are logged and reported to the appropriate carrier. Potential claims falling under the Hospital Professional and General Liability Policy must utilize the insurance carrier reporting form.
- D. Claims against Directors and Officers: All claims of any nature against directors and officers of HHSC corporate and/or the Regions/Facilities, affiliates, foundations and auxiliaries are to be immediately reported to the General Counsel's office. Claims entirely against the Corporation's directors and officers and Hawaii Health Systems Foundation (HHSF) will be managed by the General Counsel. Claims against any Regional Board, foundation board, or auxiliary board director or officer will be managed in coordination with the Region and General Counsel. It is General Counsel's responsibility to report the claim to the appropriate insurance carrier. Claims not covered by insurance may be reported by General Counsel to the Attorney General's office for representation and indemnification.
- E. Hospital Professional and General Liability Claims: Claims against the Corporate Office and HHSF will be managed by the General Counsel's office.

Claims against HHSC and any Facility will be managed by the General Counsel and the Facility Claims Manager which may be Regional Counsel or other person designated by the RCEO, such as, the facility risk manager.

The General Counsel's office is to be notified upon receipt at the facility of any MCCP claim, Demand, Complaint and Summons or any other form of legal action or written claim for damages against a facility. After determining if insurance coverage is available, General Counsel will notify the appropriate carrier. After recommendation of counsel by the facility, the claim will be jointly managed at the facility level with oversight and assistance provided by General Counsel. Refer to Claims Management and Settlement Policy No. ADM 0028A for the settlement of claims for damages against HHSC.

- F. All claims brought on behalf of HHSC for the benefit of the system or one or more of the regions or facilities shall be managed by General Counsel's office. The facility management shall select outside counsel to represent HHSC after conferring with General Counsel, in accordance with HHSC Policy 26A, Retention of Outside Counsel, based upon availability, expertise, costs, facility preference, and insurer requirements. General Counsel shall work closely with the facility and regional management involved to ensure a coordinated effort and timely status updates.

**III. Applicability:** All HHSC facilities, HHSC staff, regional and corporate boards.

**IV. Reference:** HRS Section 41D-3; HRS Section 323F. ADM 0025, Litigation Guidelines; ADM 028A – Claims Management and Settlement Policy.