



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
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August 5, 2002

TO: Each Supervisor

FROM: Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

SUBJECT: IMPROVING MANAGED CARE PLAN COLLECTIONS

As indicated would be forthcoming in my letter to you dated May 30, 2002, this is to provide our first quarterly report on our progress in improving managed care billings and collections.

Following are actions taken in this regard:

- An ad hoc committee comprised of Patient Financial Services Directors, Admitting Managers and Utilization Management Directors, met to review policies, procedures, and financial practices to ensure that financial screening procedures are up-to-date, and monitor facility compliance.
- The DHS Revenue Management (RM) Division conducted a managed care claims appeal training class for facility patient accounting staff.
- RM implemented a managed health care claims appeal process at all hospitals. County Counsel and RM will begin monitoring facility compliance in September 2002.
- RM made modifications to each facility's automated managed health care data base to track timely billings, slow payments and failures to pay.
- RM reached a settlement with Kaiser for emergency services claims in the amount of \$145,648 for dates of services through March 31, 2002.

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- RM is currently in settlement negotiations with Health Net, Molina, and Maxicare (for post-petition claims) for outstanding emergency services claims.
- RM and County Counsel continue to participate in the Watts Creditors Committee to resolve outstanding UHP Healthcare pre-conservatorship claims.
- RM continues to meet regularly with Care 1st and Blue Cross to monitor claims processing to ensure a backlog does not exist.
- RM met with County Counsel and facility designated physician representatives to begin the process of establishing goals and objectives for limiting unauthorized nonemergency services, developing policies and procedures for obtaining prior authorizations for nonemergency care, and setting timeframes for developing training for physicians and other designated facility personnel. We have established a target completion date of February 2003.

We will provide our next update to you in November, 2002.

If you have any questions, please let me know.

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c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller