



Health Services
LOS ANGELES COUNTY

Los Angeles County
Board of Supervisors

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April 13, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

John F. Schunhoff, Ph.D.
Interim Director

Robert G. Splawn, M.D.
Interim Chief Medical Officer

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www.dhs.lacounty.gov

*To improve health
through leadership,
service and education.*

**REQUEST TO ACCEPT COMPROMISE OFFERS OF SETTLEMENT
(ALL DISTRICTS)
(3 VOTES)**

SUBJECT

To request Board approval for the Interim Director of Health Services (Director) to accept compromise offers of settlement for patients who received medical care at either County facilities and/or at non-County operated facilities under the Trauma Center Service Agreement. The compromise offers of settlement referenced below are not within the Director's authority to accept.

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director or his designee, to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, of the following individual accounts:

Patients who received medical care at County facilities:

- (1) Account Number LAC+USC – Various \$ 4,000
- (2) Account Number Harbor – Various \$ 5,000
- (3) Account Number LAC+USC – 7149601 \$ 5,000
- (4) Account Number Harbor – Various \$ 5,500
- (5) Account Number RLANRC – 4943254 \$ 10,000
- (6) Account Number Harbor – 9176625 \$ 12,000

Trauma patients who received medical care at non-County facilities:

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(7) Account Number EMS – 194 \$ 7,772
(8) Account Number EMS – 508 \$ 16,007
(9) Account Number EMS – 170 \$ 23,648

Total All Accounts: \$ 88,927

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Patients who received medical care at a County facility: The compromise offers of settlement for patient accounts (1) - (5) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department was able to negotiate or was offered under the legal settlement involved in these cases. The compromise offer of settlement for patient account (6) is recommended because the patient cannot pay the full amount of charges based on his current financial status, and this is the highest amount he is able to contribute to settle the account.

Trauma patients who received medical care at non-County facilities: The compromise offer of settlement for patient accounts (7) – (9) are recommended because the County has agreements with certain non-County medical facilities under which it pays for trauma care provided to eligible indigent patients at those facilities. These agreements allow the County, after it has made payment for a particular patient, to pursue recovery from third parties who are financially responsible for such trauma care.

The best interests of the County would be served by approving the acceptance of these compromises, as it will enable the Department of Health Services (DHS) to maximize net revenue on these accounts.

Implementation of Strategic Plan Goals

The recommended action supports Goal 1, Operational Effectiveness, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of revenue totaling approximately \$88,927.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50 percent of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

On January 15, 2002, your Board adopted an ordinance granting the Director authority to compromise or reduce patient account liabilities when it is in the best interest of the County to do so.

On November 1, 2005, your Board approved a revised ordinance granting the Director authority to reduce, on an account specific basis, the amount of any liability owed to the County which relates to medical care provided by third parties for which the County is contractually obligated to pay, and related to which the County has subrogation or reimbursement rights. The revised ordinance was

adopted by your Board on December 8, 2005.

Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's lien. Factors that contribute to each party receiving more or less than one-third of the recovery include the number of medical lien holders, the patient's attorney retainer agreement, and costs accrued by the patient during the legal process.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Maximizing net revenues on patients who received medical care at County facilities will help DHS meet its budgeted revenue amounts. All payments received for the trauma accounts (non-County facilities) will replenish the Los Angeles County Trauma Fund.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John Schunhoff". The signature is fluid and cursive, with a large initial "J" and "S".

JOHN F. SCHUNHOFF, Ph.D.
Interim Director

JFS:lg

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: APRIL 13, 2010

Total Gross Charges	\$20,346	Account Number	Various
Amount Paid	50	Service Type	Inpatient & Outpatient
Balance Due	\$20,346	Date of Service	Various
Compromise Amount Offered	\$4,000	% Of Charges	20 %
Amount to be Written Off	\$16,346	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$20,346 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$6,000	\$6,000	40 %
Lawyer's Cost	\$950	\$950	6 %
LAC+USC Medical Center *	\$20,346	\$4,000	27 %
Other Lien Holders *	\$1,075	\$1,075	7 %
Patient	-	\$2,975	20 %
Total	-	\$15,000	100 %

* Lien holders are receiving 34 % of the settlement (27 % to LAC+USC Medical Center and 7 % to others). The attorney had done preparation for trial and a fee of 40% plus cost was agreed upon in the retainer agreement between the patient and his attorney.

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: APRIL 13, 2010

Total Gross Charges	\$128,821	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$128,821	Date of Service	Various
Compromise Amount Offered	\$5,000	% Of Charges	4 %
Amount to be Written Off	\$123,821	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient and outpatient gross charges of \$128,821 for medical services rendered. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$5,000	33.33 %
Lawyer's Cost	-	-	-
H/UCLA Medical Center	\$128,821	\$5,000	33.34 %
Other Lien Holders	-	-	-
Patient	-	\$5,000	33.33 %
Total	-	\$15,000	100 %

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to H/UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: APRIL 13, 2010

Total Gross Charges	\$66,902	Account Number	7149601
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$66,902	Date of Service	3/13/08 – 3/24/08
Compromise Amount Offered	\$5,000	% Of Charges	7 %
Amount to be Written Off	\$61,902	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient gross charges of \$66,902 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$5,000	33.33 %
Lawyer's Cost *	\$355	-	-
LAC+USC Medical Center	\$66,902	\$5,000	33.34 %
Other Lien Holders	-	-	-
Patient	-	\$5,000	33.33 %
Total	-	\$15,000	100 %

* The attorney agreed to waive his cost.

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: APRIL 13, 2010

Total Gross Charges	\$31,509	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$31,509	Date of Service	Various
Compromise Amount Offered	\$5,500	% Of Charges	17 %
Amount to be Written Off	\$26,009	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was involved in a motorcycle accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient and outpatient gross charges of \$31,509 for medical services rendered. The patient is pending Medi-Cal. If Medi-Cal is later approved, DHS will bill Medi-Cal and refund the settlement amount. The patient's third party liability (TPL) claim settled for \$20,500 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$6,800	\$6,800	33 %
Lawyer's Cost	\$160.07	\$160.07	1 %
H/UCLA Medical Center *	\$31,509	\$5,500	27 %
Other Lien Holders *	\$5,370	\$3,000	14 %
Patient	-	\$5,039.93	25 %
Total	-	\$20,500	100 %

* Lien holders are receiving 41% of the settlement (27 % to H/UCLA Medical Center and 14 % to others).

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to H/UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5
DATE: APRIL 13, 2010

Total Gross Charges	\$44,226	Account Number	4943254
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$44,226	Date of Service	10/22/08 – 10/31/08
Compromise Amount Offered	\$10,000	% Of Charges	23 %
Amount to be Written Off	\$34,226	Facility	RLANRC

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at Rancho Los Amigos National Rehabilitation Center (RLANRC) and incurred total inpatient gross charges of \$44,226 for medical services rendered. The patient was denied Medical and does not qualify for ATP. The patient's third party liability (TPL) claim settled for \$137,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$45,666	\$45,666	33 %
Lawyer's Cost	\$1,752	\$1,752	1 %
RLANRC *	\$44,226	\$10,000	7 %
Other Lien Holders *	\$301,502	\$43,150	32 %
Patient	-	\$36,432	27 %
Total	-	\$137,000	100 %

* Lien holders are receiving 39 % of the settlement (7 % to RLANRC and 32 % to others).

Based on the DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to RLANRC. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 6
DATE: APRIL 13, 2010

Total Gross Charges	\$81,354	Account Number	9176625
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$81,354	Date of Service	5/5/08 – 5/13/08
Compromise Amount Offered	\$12,000	% Of Charges	15 %
Amount to be Written Off	\$69,354	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was treated at H/UCLA Medical Center and incurred total inpatient charges of \$81,354 for medical services rendered. The patient did not apply for Medi-Cal or any of Los Angeles County's Low Cost/No Cost programs. Based on the information provided, it appears the patient does not have the financial means to pay the full cost of care and this is the highest amount she is able to contribute to settle the account.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 7
DATE: APRIL 13, 2010

Total Charges (Providers)	\$23,849	Account Number	EMS 194
Amount Paid to Providers	\$7,960	Service Type / Date of Service	Inpatient 11/2/02 - 11/5/02
Compromise Amount Offered	\$7,772	% of Payment Recovered	98%

JUSTIFICATION

The patient was treated at Long Beach Memorial Medical Center and incurred total inpatient charges of \$23,849 for medical services rendered. The facility received payment from the Los Angeles County Trauma Fund in the amount of \$7,960. It was later discovered that this patient's treatment was related to a work injury. However, the employer was uninsured. The medical bills were submitted to the Uninsured Employers Fund for review. The claim was paid pursuant to Medi-Cal Fee Schedule.

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 8
DATE: APRIL 13, 2010

Total Charges (Providers)	\$40,017	Account Number	EMS 508
Amount Paid to Providers	\$5,949	Service Type / Date of Service	Outpatient 9/16/08
Compromise Amount Offered	\$16,007	% of Payment Recovered	269%

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident; the patient was treated at Providence Holy Cross Medical Center and incurred total patient charges of \$40,017 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$5,949. The patient's third-party claim has been settled for \$50,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$50,000)
Attorney fees	\$16,667	\$16,667	33 %
Attorney cost	\$148	\$148	1 %
Los Angeles County	\$40,017	\$16,007	32 %
Other Lien Holders	\$6,352.90	\$2,194	4 %
Patient	-	\$14,984	30 %
Total	-	\$50,000	100%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 9
DATE: APRIL 13, 2010

Total Charges (Providers)	\$47,295	Account Number	EMS 170
Amount Paid to Providers	\$17,600	Service Type / Date of Service	Inpatient 8/19/06 - 8/22/06
Compromise Amount Offered	\$23,648	% of Payment Recovered	134%

JUSTIFICATION

The medical treatment to this patient was related to a victim of violent crime. As a result of this incident, the patient was treated at Cedar Sinai Medical Center and incurred total inpatient charges of \$47,295 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$17,600. The patient's third-party claim has been settled for \$187,500 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$187,500)
Attorney fees	\$75,000	\$62,500	33 %
Attorney cost	\$16,891	\$16,891	9 %
Los Angeles County	\$47,295	\$23,648	13 %
Other Lien Holders	\$5,762	\$3,256	2 %
Patient	-	\$81,205	43 % (1)
Total	-	\$187,500	100 %

(1) The patient's lawyer stated that his client will require extensive ongoing medical care.

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.