



Health Services
LOS ANGELES COUNTY

Los Angeles County
Board of Supervisors

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May 11, 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

Gail V. Anderson, Jr., M.D.
Interim Chief Medical Officer

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

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www.dhs.lacounty.gov

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

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 Harbor – 449036 \$3,385
- (2) Account Number LAC+USC – Various \$5,000
- (3) Account Number Harbor – 7026300 \$5,000
- (4) Account Number Harbor – Various \$25,000
- (5) Account Number LAC+USC – Various \$37,500

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

- (6) Account Number EMS – 211 \$4,389

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Total All Accounts: \$80,274

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.

Trauma patients who received medical care at non-County facilities: The compromise offer of settlement for patient account (6) is 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 \$80,274.

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: MAY 11, 2010

Total Gross Charges	\$47,765	Account Number	449036
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$47,765	Date of Service	11/18/09 – 11/23/09
Compromise Amount Offered	\$3,384.80	% Of Charges	7 %
Amount to be Written Off	\$44,380.20	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile versus motorcycle accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient gross charges of \$47,765 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	\$5,000	\$5,000	33.33 %
Lawyer's Cost	-	-	-
H/UCLA Medical Center *	\$47,765	\$3,384.80	22.57 %
Other Lien Holders *	\$2,382.75	\$1,615.20	11.77 %
Patient	-	\$5,000	33.33 %
Total	-	\$15,000	100 %

* Lien holders are receiving 33.34 % of the settlement (22.57 % to H/UCLA Medical Center and 11.77 % 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. 2
DATE: MAY 11, 2010

Total Gross Charges	\$53,674	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$53,674	Date of Service	Various
Compromise Amount Offered	\$5,000	% Of Charges	9 %
Amount to be Written Off	\$48,674	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 \$53,674 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 \$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 %
Lawyer's Cost	\$1,943.84	\$1,943.84	13 %
LAC+USC Medical Center *	\$53,674	\$5,000	33 %
Other Lien Holders	-	-	-
Patient	-	\$3,056.16	21 %
Total	-	\$15,000	100 %

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. 3
DATE: MAY 11, 2010

Total Gross Charges	\$78,585	Account Number	7026300
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$78,585	Date of Service	6/27/05 – 7/5/05
Compromise Amount Offered	\$5,000	% Of Charges	6 %
Amount to be Written Off	\$73,585	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 gross charges of \$78,585 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	\$5,000	\$5,000	33 %
Lawyer's Cost	-	-	-
H/UCLA Medical Center *	\$78,585	\$5,000	33 %
Other Lien Holders *	\$53,617	\$2,412	17 %
Patient	-	\$2,588	17 %
Total	-	\$15,000	100 %

* Lien holders are receiving 50 % of the settlement (33 % to H/UCLA Medical Center and 17 % to others).

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 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. 4
DATE: MAY 11, 2010

Total Gross Charges	\$81,574	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$81,574	Date of Service	Various
Compromise Amount Offered	\$25,000	% Of Charges	31 %
Amount to be Written Off	\$56,574	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile versus pedestrian 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 \$81,574 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 \$100,000, 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	\$33,333	\$33,333	33 %
Lawyer's Cost	\$2,613.51	\$2,613.51	3 %
H/UCLA Medical Center *	\$81,574	\$25,000	25 %
Other Lien Holders *	\$1,369	\$1,369	1 %
Patient **	-	\$37,684.49	38 %
Total	-	\$100,000	100 %

* Lien holders are receiving 26% of the settlement (25% to H/UCLA Medical Center and 1% to others).

** The patient is receiving 38% of the settlement because she has been unable to return to work due to her injuries.

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: MAY 11, 2010

Total Gross Charges	\$91,548	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$91,548	Date of Service	Various
Compromise Amount Offered	\$37,500	% Of Charges	41 %
Amount to be Written Off	\$54,048	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile versus motorcycle 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 \$91,548 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$100,000, 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	\$25,000	\$25,000	25 %
Lawyer's Cost	\$2,196.04	\$2,196.04	2 %
LAC+USC Medical Center	\$91,548	\$37,500	38 %
Other Lien Holders	-	-	-
Patient	-	\$35,303.96	35 %
Total	-	\$100,000	100 %

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. 6
DATE: MAY 11, 2010

Total Charges (Providers)	\$44,834	Account Number	EMS 211
Amount Paid to Providers	\$21,374	Service Type / Date of Service	Inpatient & Outpatient 8/20/08-8/23/08
Compromise Amount Offered	\$4,389	% of Payment Recovered	21 %

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident; the patient was treated at St. Francis Medical Center and incurred total inpatient and physician charges of \$44,834 for medical services rendered. The providers have received payment from the Los Angeles County Trauma Fund in the amount of \$21,374. The patient's third-party claim has been settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement * (\$15,000)
Attorney fees	\$5,000	\$5,000	33.33 %
Attorney cost	\$1,222	\$1,222	8.15 %
Los Angeles County	\$44,834	\$4,389	29.26 %
Patient	\$4,389	\$4,389	29.26 %
Total		\$15,000	100 %

* This settlement distribution is consistent with the Hospital Lien Act (California Civil Code section 3045) which indicates that lien holders are entitled to up to 50% of the settlement after deducting attorney's fees and cost. Los Angeles County is receiving 29.26% of the settlement with no other lien holder and the patient receiving the remaining 29.26% of the settlement.

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