Health Services
LOS ANGELES COUNTY

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To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners.

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February 05, 2013

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:

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

SUBJECT

To request Board approval for the 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 or Impacted Hospital Program (IHP). The compromise offers of settlement referenced below are not within the Director's authority to accept.

IT IS RECOMMENDED THAT THE 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, for the following individual accounts:

Patients who received medical care at County facilities:
(1) Account Number H-UCLA MC – 1382436 $2,851
(2) Account Number H-UCLA MC – 2090334 $3,755
(3) Account Number LAC+USC MC – Various $4,000
(4) Account Number H-UCLA MC – Various $4,500
(5) Account Number H-UCLA MC – Various $12,571

Patients who received medical care at non-County facilities:

(6) Account Number EMS - 265 $1,000
(7) Account Number EMS - 266 $4,500
(8) Account Number EMS - 530 $4,700
(9) Account Number EMS - 531 $251,307
(10) Account Number IHP - 58020512 $5,000

Total All Accounts: $294,184

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.

Patients who received medical care at non-County facilities: The compromise offers of settlement for patient accounts (6) - (10) are recommended because the County has agreements with certain non-County medical facilities under which it pays for emergency or 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 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 $294,184.

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, the 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, the 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 the 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 and IHP accounts (non-County facilities) will replenish the Los Angeles County Trauma and IHP Funds.

Respectfully submitted,

Mitchell H. Katz, M.D.

Director

MHK: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: FEBRUARY 5, 2013

Total Gross Charges	$38,212	**Account Number**	1382436
Amount Paid	$0	**Service Type**	Inpatient
Balance Due	$38,212	**Date of Service**	9/27/10 – 10/1/10
Compromise Amount Offered	$2,850.88	**% Of Charges**	7 %
Amount to be Written Off	$35,361.12	**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 $38,212 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for $10,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	$4,000	$3,333.33	33 %
Lawyer's Cost	$1,239.92	$1,239.92	12 %
H-UCLA Medical Center *	$38,212	$2,850.88	29 %
Other Lien Holders *	$5,215.12	$338.97	4 %
Patient	-	$2,236.90	22 %
Total	-	$10,000	100 %

* Lien holders are receiving 33% of the settlement (29% to H-UCLA Medical Center and 4% 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. 2
DATE: FEBRUARY 5, 2013

Total Gross Charges	$45,140	**Account Number**	2090334
Amount Paid	$0	**Service Type**	Inpatient
Balance Due	$45,140	**Date of Service**	12/17/11 – 12/21/11
Compromise Amount Offered	$3,755	**% Of Charges**	7 %
Amount to be Written Off	$41,385	**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 $45,140 for medical services rendered. The patient has ATP with no liability and no other coverage was found. 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	$317.88	$317.88	2 %
H-UCLA Medical Center *	$45,140	$3,755	25 %
Other Lien Holders *	$13,036.26	$1,086	8 %
Patient	-	$4,841.12	32 %
Total	-	$15,000	100 %

* Lien holders are receiving 33% of the settlement (25% to H-UCLA Medical Center and 8% to others).

This patient is covered by ATP and as a condition of the ATP agreement; the County may pursue reimbursement from any responsible third party. 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: FEBRUARY 5, 2012

Total Gross Charges	$56,103	**Account Number**	Various
Amount Paid	$0	**Service Type**	Inpatient & Outpatient
Balance Due	$56,103	**Date of Service**	Various
Compromise Amount Offered	$4,000	**% Of Charges**	7 %
Amount to be Written Off	$52,103	**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 $56,103 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for $10,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	$2,500	$2,500	25 %
Lawyer's Cost	-	-	-
LAC+USC Medical Center *	$56,103	$4,000	40 %
Other Lien Holders *	$8,750	$1,900	19 %
Patient	-	$1,600	16 %
Total	-	$10,000	100 %

* Lien holders are receiving 59% of the settlement (40% to LAC+USC Medical Center and 19% 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 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: FEBRUARY 5, 2013

Total Gross Charges	$37,469	**Account Number**	Various
Amount Paid	$0	**Service Type**	Inpatient & Outpatient
Balance Due	$37,469	**Date of Service**	6/10/09 – 10/18/10
Compromise Amount Offered	$4,500	**% Of Charges**	12 %
Amount to be Written Off	$32,969	**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 $37,469 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	$4,500	$4,500	30 %
Lawyer's Cost	$500	$500	3 %
H-UCLA Medical Center *	$37,469	$4,500	30 %
Other Lien Holders *	$2,272.68	$500	3 %
Patient	-	$5,000	34 %
Total	-	$15,000	100 %

* Lien holders are receiving 33% of the settlement (30% to H-UCLA Medical Center and 3% 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. 5
DATE: FEBRUARY 5, 2013

Total Gross Charges	$52,384	**Account Number**	Various
Amount Paid	$0	**Service Type**	Inpatient & Outpatient
Balance Due	$52,384	**Date of Service**	Various
Compromise Amount Offered	$12,571.03	**% Of Charges**	24 %
Amount to be Written Off	$39,812.97	**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 $52,384 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for $51,680.06 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	$20,672.02	$20,672.02	40 %
Lawyer's Cost	$5,686.66	$5,686.66	11 %
H-UCLA Medical Center **	$52,384	$12,571.03	24 %
Other Lien Holders **	$24,600	$5,504.50	11 %
Patient	-	$7,245.85	14 %
Total	-	$51,680.06	100 %

* Attorney's fee of 40% was agreed upon in the retainer agreement between the patient and his attorney.

** Lien holders are receiving 35% of the settlement (24% to H-UCLA Medical Center and 11% 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. 6
DATE: FEBRUARY 5, 2013

Total Charges (Providers)	$146,870	**Account Number**	EMS 265
Amount Paid to Provider	$50,638	**Service Type / Date of Service**	Inpatient 9/1/11 - 9/13/11
Compromise Amount Offered	$1,000	**% of Payment Recovered**	2 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at California Hospital Medical Center and incurred total inpatient gross charges of $146,870 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of $50,638. 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 %
Attorney cost	$288	$288	2 %
Los Angeles County	$146,870	$1,000	7 %
Patient		$8,712	58 %
Total		$15,000	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.

Proposed settlement reimburses the Trauma Fund 2% ($1,000) of amount paid to California Hospital Medical Center.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 7
DATE: FEBRUARY 5, 2013

Total Charges (Providers)	$35,825	**Account Number**	EMS 266
Amount Paid to Provider	$17,888	**Service Type / Date of Service**	Inpatient 8/9/10 - 8/11/10
Compromise Amount Offered	$4,500	**% of Payment Recovered**	25 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at St. Mary Medical Center and incurred total inpatient gross charges of $35,825 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of $17,888. 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	$6,000	$5,218	35 %
Attorney cost	$1,563	$1,563	10 %
Other lien holders	$5,438	$3,439	23 %
Los Angeles County	$35,825	$4,500	30 %
Patient		$280	2 %
Total		$15,000	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.

Proposed settlement reimburses the Trauma Fund 25% ($4,500) of amount paid to St. Mary Medical Center.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 8
DATE: FEBRUARY 5, 2013

Total Charges (Providers)	$72,771	**Account Number**	EMS 530
Amount Paid to Provider	$27,535	**Service Type / Date of Service**	Inpatient & Outpatient 8/17/12 - 8/21/12
Compromise Amount Offered	$4,700	**% of Payment Recovered**	17 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at Providence Holy Cross Medical Center and incurred total inpatient and outpatient gross charges of $72,771 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of $27,535. 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 %
Other lien holders	$4,452	$300	2 %
Los Angeles County	$72,771	$4,700	32 %
Patient		$5,000	33 %
Total		$15,000	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.

Proposed settlement reimburses the Trauma Fund 17% ($4,700) of amount paid to Providence Holy Cross Medical Center.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 9
DATE: FEBRUARY 5, 2013

Total Charges (Providers)	$335,076	**Account Number**	EMS 531
Amount Paid to Provider	$46,074	**Service Type / Date of Service**	Inpatient & Outpatient 10/10/11 - 10/18/11
Compromise Amount Offered	$251,307	**% of Payment Recovered**	545%

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at Providence Holy Cross Medical Center and incurred total inpatient and outpatient gross charges of $335,076 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of $46,074. The County's contracted recovery vendor negotiated an offer of $251,307 with the patient's insurance company prior to litigation (no attorney was involved in this case) and is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Negotiation	Negotiation ($251,307)
Attorney fees	N/A	N/A	N/A
Attorney cost	N/A	N/A	N/A
Los Angeles County	$335,076	$251,307	100 %
Patient		N/A	N/A
Total		$251,307	

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

Proposed settlement reimburses the Trauma Fund 545% ($251,307) of amount paid to mProvidence Holy Cross Medical Center. If the case goes to trial and an attorney is involved, the recovery amount is projected to be less.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 10
DATE: FEBRUARY 5, 2013

Total Charges (Providers)	$21,389.53	**Account Number**	58020512 (Impacted Hospital Program)
Amount Paid to Provider	$423.55	**Service Type / Date of Service**	Emergency Room Services 5/15/12
Compromise Amount Offered	$5,000	**% of Payment Recovered**	1,180 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at St. Francis Medical Center and incurred total gross charges of $21,389.53 for medical services rendered. The provider has received payment from the Los Angeles County Impacted Hospital Program in the amount of $423.55. The patient's third-party claim has been 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 %
Los Angeles County *	$21,389.53	$5,000	33 %
Other lien holders *	$13,235	$4,300	29 %
Patient		$700	5 %
Total		$15,000	100 %

* Lien holders are receiving 62% of the settlement (33% to Los Angeles County and 29% to others).

As stated in the Impacted Hospital Program (IHP) agreement, reimbursement to providers is for Emergency Room (ER) and Inpatient Services provided to eligible indigent patients.

Proposed settlement reimburses the IHP fund 1,180% ($5,000) of amount paid to St. Francis Medical Center ($423.55).