



Health Services
LOS ANGELES COUNTY

Los Angeles County
Board of Supervisors

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May 03, 2016

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)**

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

33 MAY 3, 2016

LORI GLASGOW
EXECUTIVE OFFICER

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. 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	LAC+USC MC – 13536517	\$	2,378
(2) Account Number	LAC+USC MC – Various	\$	4,484

Patients who received medical care at non-County facilities:

(3) Account Number	EMS – 307	\$	4,800
(4) Account Number	EMS – 301	\$	8,500
(5) Account Number	EMS – 631	\$	37,419
(6) Account Number	EMS – 632	\$	118,800

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www.dhs.lacounty.gov

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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Total All Accounts: \$ 176,381

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Patients who received medical care at a County facility: The compromise offer of settlement for patient account (1) is recommended because the offer is the highest amount that could be negotiated with the patient's insurance provider (Commercial or HMO) under the circumstances of the case, and receipt of such insurance proceeds prevents further collection from the patient, except for possible beneficiary co-insurance or deductible obligations. The compromise offer of settlement for patient account (2) is recommended because the patient is unable to pay the full amount of charges and the compromise offer represents the maximum amount the Department was able to negotiate or was offered under the legal settlement involved in this case.

Patients who received medical care at non-County facilities: The compromise offer of settlement for patient accounts (3) - (6) 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 through the Los Angeles County Trauma Fund. 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/Fiscal Sustainability, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of revenue totaling approximately \$176,381. There is no net cost to the County.

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

Respectfully submitted,

A handwritten signature in black ink that reads "Mitchell Katz". The signature is written in a cursive, slightly slanted style.

Mitchell H. Katz, M.D.

Director

MHK:ab

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 3, 2016

Total Gross Charges	\$46,863	Account Number	13536517
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$46,863	Date of Service	7/9/2012 – 7/18/2012
Compromise Amount Offered	\$2,378	% Of Charges	5 %
Amount to be Written Off	\$44,485	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in a personal injury accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient gross charges of \$46,863 for medical services rendered. The patient is an out-of-state patient with no out-of-network benefits. The above compromise offer of settlement is the highest amount that the patient's insurance (Commercial or HMO) could offer under the circumstances of this case, and receipt of such insurance proceeds prevents further collection from the patient, except for possible beneficiary coinsurance or deductible obligations.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: MAY 3, 2016

Total Gross Charges	\$71,165	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$71,165	Date of Service	Various
Compromise Amount Offered	\$4,484	% Of Charges	6 %
Amount to be Written Off	\$66,681	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in a pedestrian vs 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 \$71,165 for medical services rendered. The patient had General Relief (GR) and no other coverage was found. The patient's third party liability (TPL) claim settled for \$15,000 and the patient's 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	\$403	\$403	3 %
LAC+USC Medical Center *	\$71,165	\$4,484	30 %
Other Lien Holders *	\$18,957	\$1,043	7 %
Patient	-	\$4,070	27 %
Total	-	\$15,000	100 %

* Lien holders are receiving 37% of the settlement (30% to Los Angeles County and 7% to others).

Based on DHS's 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 3, 2016

Total Charges (Providers)	\$60,190	Account Number	EMS 307
Amount Paid to Provider	\$12,471	Service Type / Date of Service	Inpatient 12/8/2014 - 12/9/2014
Compromise Amount Offered	\$4,800	% of Payment Recovered	38 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at Northridge Hospital Medical Center and incurred total inpatient gross charges of \$60,190 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of \$12,471. 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 (\$15,000)
Attorney fees	\$5,000	\$5,000	33 %
Attorney cost	\$502	\$502	3 %
Other Lien Holders *	\$2,500	\$2,500	17 %
Los Angeles County *	\$60,190	\$4,800	32 %
Patient		\$2,198	15 %
Total		\$15,000	100 %

* Lien holders are receiving 49% of the settlement (32% to Los Angeles County and 17% to others).

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 38% (\$4,800) of amount paid to Northridge Hospital Medical Center.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: MAY 3, 2016

Total Charges (Providers)	\$33,527	Account Number	EMS 301
Amount Paid to Provider	\$6,425	Service Type / Date of Service	Outpatient 7/9/2013
Compromise Amount Offered	\$8,500	% of Payment Recovered	132 %

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 outpatient gross charges of \$33,527 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of \$6,425. The patient's third-party claim has been settled for \$45,000, 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 (\$45,000)
Attorney fees	\$15,000	\$15,000	33 %
Attorney cost	\$6,871	\$6,871	15 %
Other Lien Holders *	\$22,220	\$11,659	26 %
Los Angeles County *	\$33,527	\$8,500	19 %
Patient		\$2,970	7 %
Total		\$45,000	100 %

* Lien holders are receiving 45% of the settlement (19% to Los Angeles County and 26% to others).

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 132% (\$8,500) of amount paid to St Francis Medical Center.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5
DATE: MAY 3, 2016

Total Charges (Providers)	\$217,314	Account Number	EMS 631
Amount Paid to Provider	\$49,291	Service Type / Date of Service	Inpatient & Outpatient 2/28/2015 - 3/11/2015
Compromise Amount Offered	\$37,419	% of Payment Recovered	76 %

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 \$217,314 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of \$49,291. The patient's third-party claim has been settled for \$115,000, 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 (\$115,000)
Attorney fees	\$38,000	\$38,000	33 %
Attorney cost	\$200	\$200	1 %
Other Lien Holders *	\$6,281	\$1,081	1 %
Los Angeles County *	\$217,314	\$37,419	32 %
Patient		\$38,300	33 %
Total		\$115,000	100 %

* Lien holders are receiving 33% of the settlement (32% to Los Angeles County and 1% to others).

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 76% (\$37,419) of amount paid to Providence Holy Cross Medical Center.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 6
DATE: MAY 3, 2016

Total Charges (Providers)	\$208,234	Account Number	EMS 632
Amount Paid to Provider	\$27,382	Service Type / Date of Service	Inpatient & Outpatient 8/5/2013 - 8/9/2013
Compromise Amount Offered	\$118,800	% of Payment Recovered	434%

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at Cedars Sinai Medical Center and incurred total inpatient and outpatient gross charges of \$208,234 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of \$27,382. The patient's third-party claim has been settled for \$550,000, 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 (\$550,000)
Attorney fees	\$220,000	\$220,000	40 %
Attorney cost	\$8,254	\$8,254	1 %
Other Lien Holders *	\$84,239	\$59,252	11 %
Los Angeles County *	\$208,234	\$118,800	22 %
Patient		\$143,694	26 %
Total		\$550,000	100 %

* Lien holders are receiving 33% of the settlement (22% to Los Angeles County and 11% to others).

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 434% (\$118,800) of amount paid to Cedars Sinai Medical Center.