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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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July 05, 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)**

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 – Various	\$	2,872
(2) Account Number	LAC+USC MC – Various	\$	5,009

Patients who received medical care at non-County facilities:

(3) Account Number	EMS – CS-639	\$	3,000
(4) Account Number	EMS – CS-638	\$	3,500
(5) Account Number	EMS – 619	\$	4,250
Total All Accounts:		\$	18,631

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

13 July 5, 2016

LORI GLASGOW
EXECUTIVE OFFICER

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Patients who received medical care at County facilities: The compromise offers of settlement for patient accounts (1) – (2) 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 offer of settlement for patient accounts (3) - (5) 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 \$18,631. 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, appearing to read "Mitchell Katz". The signature is fluid and cursive, with the first name "Mitchell" written in a larger, more prominent script than the last name "Katz".

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: JULY 5, 2016

Total Gross Charges	\$76,667	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$76,667	Date of Service	Various
Compromise Amount Offered	\$2,872	% Of Charges	4 %
Amount to be Written Off	\$73,795	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 \$76,667 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	\$833	\$834	6 %
LAC+USC Medical Center *	\$76,667	\$2,872	19 %
Other Lien Holders *	\$45,690	\$1,711	11 %
Patient	-	\$4,583	31 %
Total	-	\$15,000	100 %

* Lien holders are receiving 30% of the settlement (19% to Los Angeles County and 11% to others). 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.

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. 2
DATE: JULY 5, 2016

Total Gross Charges	\$98,709	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$98,709	Date of Service	Various
Compromise Amount Offered	\$5,009	% Of Charges	5 %
Amount to be Written Off	\$93,700	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 \$98,709 for medical services rendered. The patient had ATP and General Relief with no liability and no other coverage was found. The patient's third party liability (TPL) claim settled for \$25,000 and the patient's attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	\$10,000	\$10,000	40 %
Lawyer's Cost	\$1,198	\$1,198	5 %
LAC+USC Medical Center **	\$98,709	\$5,009	20 %
Other Lien Holders **	\$3,784	\$2,649	11 %
Patient	-	\$6,144	24 %
Total	-	\$25,000	100 %

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

** Lien holders are receiving 31% of the settlement (20% to Los Angeles County and 11% to others). 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.

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 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: JULY 5, 2016

Total Charges (Providers)	\$53,325	Account Number	EMS CS-639
Amount Paid to Provider	\$6,946	Service Type / Date of Service	Outpatient 7/9/13
Compromise Amount Offered	\$3,000	% of Payment Recovered	43 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at Providence Holy Cross Hospital and incurred total outpatient gross charges of \$53,325 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of \$6,946. 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	\$6,000	\$6,000	40 %
Attorney cost	\$524	\$400	3 %
Other Lien Holders *	\$3,866	\$2,702	18 %
Los Angeles County *	\$53,325	\$3,000	20 %
Patient		\$2,898	19 %
Total		\$15,000	100 %

* Lien holders are receiving 38% of the settlement (20% to Los Angeles County and 18% 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 43% (\$3,000) of amount paid to Providence Holy Cross Hospital.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: JULY 5, 2016

Total Charges (Providers)	\$40,763	Account Number	EMS CS-638
Amount Paid to Provider	\$6,069	Service Type / Date of Service	Outpatient 3/29/15
Compromise Amount Offered	\$3,500	% of Payment Recovered	58 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at Providence Holy Cross Hospital and incurred total outpatient gross charges of \$40,763 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of \$6,069. 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	\$350	\$100	1 %
Other Lien Holders *	\$4,720	\$2,400	16 %
Los Angeles County *	\$40,763	\$3,500	23 %
Patient		\$4,000	27 %
Total		\$15,000	100 %

* Lien holders are receiving 39% of the settlement (23% to Los Angeles County and 16% 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 58% (\$3,500) of amount paid to Providence Holy Cross Hospital.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5
DATE: JULY 5, 2016

Total Charges (Providers)	\$38,101	Account Number	EMS 619
Amount Paid to Provider	\$6,726	Service Type / Date of Service	Outpatient 8/28/14
Compromise Amount Offered	\$4,250	% of Payment Recovered	63 %

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 outpatient gross charges of \$38,101 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of \$6,726. 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 %
Other Lien Holders *	\$6,816	\$2,650	18 %
Los Angeles County *	\$38,101	\$4,250	28 %
Patient		\$3,100	21 %
Total		\$15,000	100 %

* Lien holders are receiving 46% of the settlement (28% to Los Angeles County and 18% 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 63% (\$4,250) of amount paid to Cedars-Sinai Medical Center.