



**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

41 May 14, 2019

CELIA ZAVALA  
EXECUTIVE OFFICER

Los Angeles County  
Board of Supervisors

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First District

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May 14, 2019

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

Christina R. Ghaly, M.D.  
Director

Hal F. Yee, Jr., M.D., Ph.D.  
Chief Medical Officer

Dear Supervisors:

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

313 N. Figueroa Street, Suite 912  
Los Angeles, CA 90012

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[www.dhs.lacounty.gov](http://www.dhs.lacounty.gov)

**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.

*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.*

**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:  
HARBOR-UCLA Medical Center - Account Number 100943980 in the amount of \$17,269.84

HARBOR-UCLA Medical Center - Account Number 100668937 in the amount of \$209,901.00

HARBOR-UCLA Medical Center – Account Number 101249472 in the amount of \$23,000.00

LAC+USC Medical Center – Account Number 7850826 in the amount of



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\$186,937.50

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Patients who received medical care at County facilities: The compromise offers of settlement for patient accounts (1) is 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.

The best interest 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 actions will support Strategy III.3, "Striving for Operational Effectiveness, Fiscal Responsibility, and Accountability" of the County's Strategic Plan.

### **FISCAL IMPACT/FINANCING**

This will expedite the County's recovery of revenue totaling approximately \$437,108.34. 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.

### **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.

The Honorable Board of Supervisors

5/14/2019

Page 3

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Christina R. Ghaly".

Christina R. Ghaly, M.D.

Director

CRG:ANW:VP:rc

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 19-2-A

Amount of Aid	\$166,024.00	Account Number	100943980
Amount Paid	0.00	Name	Adult Male
Balance Due	\$166,024.00	Service Date	03/05/17-04/07/17
Compromise Amount Offered	\$17,269.84	Facility	HARBOR-UCLA Medical Center
Amount to be Written Off	\$148,754.16	Service Type	Inpatient/Outpatient

**JUSTIFICATION**

The patient was involved in an automobile accident. He was treated at HARBOR-UCLA Medical Center at a cost of \$166,024.00. The patient did not have Medi-Cal or private insurance to cover these services.

The attorney has settled the case for the amount of \$100,000.00 and proposes the following disbursement:

<b>Disbursements</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
Attorney Fees	\$33,000.00	\$33,000.00	33.00%
Attorney Cost	820.00	820.00	0.82%
Other lien holders	47,220.99	31,307.32	31.31%
Los Angeles Department of Health Services	166,024.00	17,269.84	17.27%
Net to Client	N/A	17,602.84	17.60%
<b>Total</b>	<b>\$247,064.99</b>	<b>\$100,000.00</b>	<b>100.00%</b>

**DATA FOR COMPROMISE SETTLEMENT**

COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES  
TRANSMITTAL 19-2-B

Amount of Aid	\$364,405.00	Account Number	100668937
Amount Paid	0.00	Name	Adult Male
Balance Due	\$364,405.00	Service Date	05/10/2016 – 06/09/2016
Compromise Amount Offered	\$209,901.00	Facility	Harbor UCLA Medical Center
Amount to be Written Off	\$154,504.00	Service Type	Inpatient

**JUSTIFICATION**

The patient was treated at Harbor UCLA Medical Center at a cost of \$364,405.00. The account was referred to the County vendor who was able to identify the correct insurance for the patient; vendor was able to negotiate the payment of \$209,901.00 for this account. The patient did not have Medi-Cal.

This compromise offer of settlement is recommended because it represents the maximum amount the County vendor was able to negotiate with the insurance company.

**DATA FOR COMPROMISE SETTLEMENT**

COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES  
TRANSMITTAL 19-2-C

Amount of Aid	\$373,875.00	Account Number	7850826
Amount Paid	0.00	Name	Adult Female
Balance Due	\$373,875.00	Service Date	12/26/2012 – 03/05/2013
Compromise Amount Offered	\$186,937.50	Facility	LAC-USC Medical Center
Amount to be Written Off	\$186,937.50	Service Type	Inpatient/Outpatient

**JUSTIFICATION**

The patient suffered a massive injury through no fault of her own, she can no longer function normally, she can not work or take care of herself. She was treated at LAC-USC Medical Center at a cost of \$373,875.00. The patient did not have Medi-Cal or private insurance to cover these services.

The attorney has settled the case for the amount of \$6,650,000.00 and proposes the following disbursement:

<b>Disbursements</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
Attorney Fees	\$2,660,000.0	\$1,662,500.00	25.00%
Attorney Cost	662,000.00	662,000.00	9.95%
Other lien holders	313,368.42	269,995.05	4.06%
Los Angeles Department of Health Services	373,875.00	186,937.50	2.81%
Net to Client	N/A	3,868,567.45	58.17%
<b>Total</b>	<b>\$4,009,243.42</b>	<b>\$6,650,000.00</b>	<b>100.00%</b>

**DATA FOR COMPROMISE SETTLEMENT**

COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES  
TRANSMITTAL 19-2-D

Amount of Aid	\$428,002.00	Account Number	101249472
Amount Paid	0.00	Name	Adult Female
Balance Due	\$428,002.00	Service Date	03/21/2018
Compromise Amount Offered	\$23,000.00	Facility	Harbor UCLA Medical Center
Amount to be Written Off	\$405,002.00	Service Type	Inpatient

**JUSTIFICATION**

The patient was severely injured in an automobile accident, she was treated at Harbor UCLA Medical Center at a cost of \$428,002.00. The patient does not live in the country. She returned to her country and is still receiving medical treatment for her injuries. The patient did not have private insurance or Medi-Cal to cover these services.

This compromise offer of settlement is recommended because it represents the maximum amount the County vendor was able to negotiate with the insurance company.