



County of Los Angeles CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://ceo.lacounty.gov>

DAVID E. JANSSEN
Chief Executive Officer

July 31, 2007

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

Dear Supervisors:

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

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of Health Services 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 for patients who received medical care at a County facility:

(1)	Account Number	LAC+USC – Various	\$7,263
(2)	Account Number	H/UCLA – 7621105 & 7626954	\$6,000
(3)	Account Number	LAC+USC – 3498941	\$5,000
(4)	Account Number	LAC+USC – Various	\$4,923
(5)	Account Number	LAC+USC – 2127767	\$3,779
(6)	Account Number	H/UCLA – 7734306	\$48,000

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The compromise offer 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 amounts the Department will be able to receive under the legal settlements involved in these cases. The compromise offer of settlement for patient account (6) is recommended because the patient cannot pay the full amount of charges based on his current financial status, and this is the highest amount he is able to contribute to settle the account.

The best interests of the County would be served by the approval of these compromises since it will enable DHS to maximize net revenue on these accounts.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

Implementation of Strategic Plan Goals

The recommended action will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of revenue totaling approximately \$74,965.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On January 8, 2002 the Board approved an ordinance granting the Director of Health Services (Director) authority to reduce patient account liabilities when it is in the best interest of the County to do so. The ordinance was adopted by the Board on January 15, 2002.

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.

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 hospital 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 plaintiff's attorney retainer agreement, and costs accrued by plaintiff associated with the legal process.

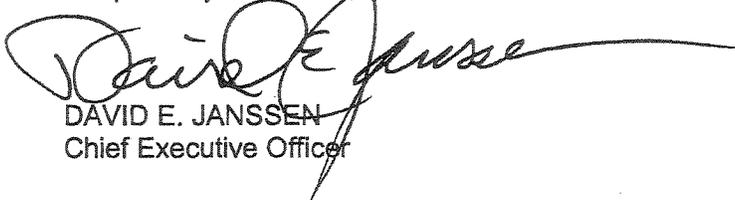
The compromise of these accounts is not within the Director's authority, so the Director is requesting Board approval of these compromises.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Maximizing net revenues on these accounts will help DHS meet its budgeted revenue amounts.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted



DAVID E. JANSSEN
Chief Executive Officer

DEJ:SRH:SAS

DEJ:BK:bjs

Attachments (6)

c: County Counsel

Director and Chief Medical Officer, Department of Health Services

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: July 31, 2007

Total Charges	\$119,558	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$119,558	Date of Service	Various
Compromise Amount Offered	\$7,263.33	% Of Charges	6%
Amount to be Written Off	\$112,294.67	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient charges of \$119,558 for medical services rendered. The patient had obtained an attorney and did not want to provide information for financial screening. The patient's third party liability (TPL) claim settled for \$25,000, 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	\$8,333.33	\$8,333.33	33.33%
Lawyer's Cost	\$0	\$0	0%
LAC+USC Medical Center	\$119,558	\$7,263.33	29.05%
Other Lien Holders	\$1,070	\$1,070.00	4.28%
Patient		\$8,333.34	33.34%
Total		\$25,000.00	100%

* 33.33% of the settlement was allocated to all lien holders – (29.05% to LAC+USC and 4.28% to others).

Based on financial information provided by the patient, it appears that the patient is unable to pay the full amount of charges and has no other source of income, or personal or real property 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 31, 2007

Total Charges	\$24,213	Account Number	7621105 & 7626954
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$24,213	Date of Service	4/20/06 & 4/24/06-4/26/06
Compromise Amount Offered	\$6,000	% Of Charges	25%
Amount to be Written Off	\$18,213	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 charges of \$24,213 for medical services rendered. The patient was denied Medi-Cal and qualifies for the Ability-To-Pay program (ATP) with no liability. The patient's 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	\$0	\$0	0%
H/UCLA Medical Center	\$24,213	\$6,000	40%
Other Lien Holders	\$4,690	\$0	0%
Patient		\$4,000	27%
Total		\$15,000	100%

Based on financial information provided by the patient, it appears that the patient is unable to pay the full amount of charges and has no other source of income, or personal or real property 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: July 31, 2007

Total Charges	\$42,574	Account Number	3498941
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$42,574	Date of Service	10/22/05 - 10/29/05
Compromise Amount Offered	\$5,000	% Of Charges	12%
Amount to be Written Off	\$37,574	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient charges of \$42,574 for medical services rendered. The patient was originally identified as a Self-Pay patient and referred to DHS' Outside Collection Agency who ultimately identified a TPL. The patient's 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	\$671.58	\$671.58	4.47%
LAC+USC Medical Center	\$42,574	\$5,000	33.33%
Other Lien Holders	\$0	\$0	0%
Patient		\$4,328.42	28.87%
Total		\$15,000	100%

Based on financial information provided by the patient, it appears that the patient is unable to pay the full amount of charges and has no other source of income, or personal or real property 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: July 31, 2007

Total Charges	\$61,388	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$61,388	Date of Service	Various
Compromise Amount Offered	\$4,923.21	% Of Charges	8%
Amount to be Written Off	\$56,464.79	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile versus pedestrian accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient charges of \$61,388 for medical services rendered. The patient was not eligible for Medi-Cal and had ATP with liability of \$116 for his inpatient stay and ATP with no liability for his outpatient visits. The patient's 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	\$120.20	\$120.20	.81%
LAC+USC Medical Center	\$61,388	\$4,923.21	32.82%
Other Lien Holders	\$853.75	\$76.79	.51%
Patient		\$4,879.80	32.53%
Total		\$15,000	100%

* 33.33% of the settlement was allocated to all lien holders – (32.82% to LAC+USC and .51% to others).

Based on financial information provided by the patient, it appears that the patient is unable to pay the full amount of charges and has no other source of income, or personal or real property 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. 5
DATE: July 31, 2007

Total Charges	\$91,230	Account Number	2127767
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$91,230	Date of Service	11/14/04 - 11/29/04
Compromise Amount Offered	\$3,779.13	% Of Charges	4%
Amount to be Written Off	\$87,450.87	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient charges of \$91,230 for medical services rendered. The patient did not cooperate in providing the necessary information for Medi-Cal determination and since he was an out-of-county patient, was not eligible for Los Angeles County's Low Cost/No Cost programs. The patient's 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	\$400	\$400	2.67%
LAC+USC Medical Center	\$91,230	\$3,779.13	25.19%
Other Lien Holders	\$1,220.87	\$1,220.87	8.14%
Patient		\$4,600	30.67%
Total		\$15,000	100%

* 33.33% of the settlement was allocated to all lien holders – (25.19% to LAC+USC and 8.14% to others).

Based on financial information provided by the patient, it appears that the patient is unable to pay the full amount of charges and has no other source of income, or personal or real property 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: July 31, 2007

Total Charges	\$120,286	Account Numbers	7734306
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$120,286	Dates of Service	6/15/06 – 6/28/06
Compromise Amount Offered	\$48,000	% of Charges	40%
Amount to be Written Off	\$72,286	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was treated at H/UCLA Medical Center and incurred total inpatient charges of \$120,286 for medical services rendered. The patient did not qualify for Medi-Cal and was evaluated for ATP but due to high liability, chose to be billed in order to satisfy the account. Prior to being admitted to H/UCLA, the patient was admitted to MLK-H Hospital and paid \$30,000 to settle his account at MLK-H. In addition, the patient was admitted at Torrance Memorial Hospital for treatment and is considering bankruptcy. Based on financial information provided, it appears the patient does not have the financial means to pay the full cost of care. He is borrowing money from relatives to settle his settlement.