



County of Los Angeles
CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

May 20, 2008

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:

**DEPARTMENT OF HEALTH SERVICES: REQUEST TO ACCEPT COMPROMISE
OFFER OF SETTLEMENT
(SUPERVISORIAL DISTRICT 1)
(3 VOTES)**

SUBJECT

On January 8, 2002, the Board approved an ordinance granting the Director of Health Services, or his designee, 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. Since the compromise of the accounts referenced below is not within the Director's authority, the Director is requesting Board approval of these compromises.

IT IS RECOMMENDED THAT YOUR BOARD:

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

(1)	Account Number	LAC+USC – Various	\$6,333
(2)	Account Number	LAC+USC – Various	\$6,000
(3)	Account Number	LAC+USC – Various	\$4,937

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
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Fifth District

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The compromise offers of settlement for patient accounts (1) – (3) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department of Health Services (DHS) will be able to receive under the legal settlement involved in these cases.

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.

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 \$17,270.

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.

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.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

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

Honorable Board of Supervisors
May 20, 2008
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CONCLUSION

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

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SRH:SAS
MLM:AMT:yb

Attachments (3)

c: County Counsel
Director and Chief Medical Officer, Department of Health Services

052009_DHS_Compromise Offer

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: May 20, 2008

Total Charges	\$44,399	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$44,399	Date of Service	Various
Compromise Amount Offered	\$6,333	% Of Charges	14%
Amount to be Written Off	\$38,066	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 \$44,399 for medical services rendered. The patient did not qualify for Medi-Cal and was uncooperative in applying for ATP. 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 her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$8,333	\$8,333	33%
Lawyer's Cost *	\$200		
LAC+USC Medical Center **	\$44,399	\$6,333	25%
Other Lien Holders **	\$4,445	\$2,001	9%
Patient		\$8,333	33%
Total		\$25,000	100%

* The patient's attorney agreed to waive his cost.

** Lien holders are receiving 34% of the settlement (25% to LAC+USC Medical Center and 9% 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, or personal or real property to meet her 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: May 20, 2008

Total Charges	\$46,124	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$46,124	Date of Service	Various
Compromise Amount Offered	\$6,000	% Of Charges	13%
Amount to be Written Off	\$40,124	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was a passenger 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 charges of \$46,124 for medical services rendered. The patient obtained an attorney and did not apply for any of Los Angeles County low cost/no cost programs. 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 her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$3,000	20%
Lawyer's Cost	\$647	\$647	4%
LAC+USC Medical Center *	\$46,124	\$6,000	40%
Other Lien Holders *	\$8,842	\$1,500	10%
Patient		\$3,853	26%
Total		\$15,000	100%

* Lien holders are receiving 50% of the settlement (40% to LAC+USC Medical Center and 10% 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, or personal or real property to meet her 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 20, 2008

Total Charges	\$148,218	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$148,218	Date of Service	Various
Compromise Amount Offered	\$4,936.67	% Of Charges	3%
Amount to be Written Off	\$143,281.33	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 \$148,218 for medical services rendered. 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 her 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	\$126.66	\$126.66	1%
LAC+USC Medical Center *	\$148,218	\$4,936.67	33%
Other Lien Holders *	\$4,846	\$2,423	16%
Patient		\$2,513.67	17%
Total		\$15,000	100%

* Lien holders are receiving 49% of the settlement (33% to LAC+USC Medical Center and 16% 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, or personal or real property to meet her 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.