



**Health Services**  
LOS ANGELES COUNTY

August 5, 2008

**Los Angeles County  
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

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:

**DEPARTMENT OF HEALTH SERVICES: REQUEST TO ACCEPT  
COMPROMISE  
OFFERS OF SETTLEMENT  
(ALL DISTRICTS AFFECTED) (3 VOTES)**

**John F. Schunhoff, Ph.D.**  
Interim Director

**Robert G. Splawn, M.D.**  
Interim Chief Medical Officer

**SUBJECT:**

To request Board approval for the Interim Director of Health Services to accept compromise offers of settlement for patients who received medical care at non-County operated facilities under the Trauma Center Service Agreement.

**IT IS RECOMMENDED THAT YOUR BOARD:**

Authorize the Interim Director of Health Services (Director) or his designee to accept the attached offers of compromise, pursuant to Section 1473 of the Health and Safety Code, to settle the following individual accounts for patients who received medical care at non-County facilities under the Trauma Center Service Agreement:

- |     |                         |           |
|-----|-------------------------|-----------|
| (1) | Account Number EMS IH11 | \$ 15,000 |
| (2) | Account Number EMS 162  | \$ 10,000 |
| (3) | Account Number EMS 182  | \$ 7,161  |
| (4) | Account Number EMS 187  | \$ 6,300  |
| (5) | Account Number EMS 185  | \$ 5,100  |
| (6) | Account Number EMS 186  | \$ 3,849  |
| (7) | Account Number EMS 184  | \$ 2,868  |

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

The compromise offers of settlement for patient accounts (1) – (7) 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 tort settlements involved in these cases.

The County has entered in a number of agreements with non-County medical facilities under which it pays for trauma care provided to eligible indigent patients at those facilities. This agreement allows the County, after it has made payment for a particular patient, to pursue recovery from third parties, who are financially responsible for such trauma care.

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

Tel: (213) 240-8101  
Fax: 213) 481-0503

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

*To improve health  
through leadership,  
service and education.*



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

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

**Implementation of Strategic Plan Goal:**

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

**FISCAL IMPACT/FINANCING:**

This will expedite the County's recovery of trauma funds totaling \$50,278.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

On January 8, 2002, the Board approved an ordinance granting the 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.

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.

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% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

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):**

All payments received will replenish the Los Angeles County Trauma Fund.

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

Respectfully submitted,



John F. Schunhoff, Ph.D.  
Interim Director

JFS:cc

Attachments (7)

c: Chief Executive Officer  
County Counsel  
Executive Officer, Board of Supervisors

**DATA FOR COMPROMISE SETTLEMENT**

**COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES**

**TRANSMITTAL No. 1  
DATE: August 5, 2008**

<b>Total Charges (Providing Facility)</b>	\$94,659	<b>Account Number</b>	IH-11
<b>Amount Paid to Providing Facility</b>	\$19,008	<b>Service Type</b>	Inpatient
<b>Compromise Amount Offered</b>	\$15,000	<b>Date of Service</b>	9/21/07-9/24/07
		<b>% of Payment Recovered</b>	79%

**JUSTIFICATION**

This patient had filed a personal injury claim with AAA insurance against a private party. As a result of this injury; the patient was treated at Holy Cross Hospital and incurred total inpatient charges of \$94,659 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$19,008. The patient's third-party claim has been settled for \$100,000 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement (\$100,000)</b>
<b>Attorney fees</b>	\$33,333	\$33,333	33.3%
<b>Attorney cost</b>	\$1,000	\$1,000	1.0%
<b>Los Angeles County Trauma Fund</b>	\$ 94,659	\$15,000	15.0%
<b>Los Angeles County Child Support Services</b>	\$ 30,268	\$30,268	30.3%
<b>Patient</b>		\$20,399	20.4%
<b>Total</b>		\$100,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

**DATA FOR COMPROMISE SETTLEMENT**

**COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES**

**TRANSMITTAL No. 2  
DATE: August 12, 2008**

<b>Total Charges (Providing Facility)</b>	\$62,233	<b>Account Number</b>	EMS 162
<b>Amount Paid to Providing Facility</b>	\$22,680	<b>Service Type</b>	Inpatient
<b>Compromise Amount Offered</b>	\$10,000	<b>Date of Service</b>	9/7/07-9/11/07
		<b>% of Payment Recovered</b>	44%

**JUSTIFICATION**

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Long Beach Memorial Hospital and incurred total inpatient charges of \$62,233 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$22,680. The patient's third-party claim has been settled for \$40,000 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement (\$40,000)</b>
<b>Attorney fees</b>	\$13,333	\$13,333	33.3%
<b>Attorney cost</b>	\$200	\$200	.5%
<b>Los Angeles County</b>	\$62,233	\$10,000	25.0%
<b>Other Lien Holders</b>	\$7,891	\$5,325	13.3%
<b>Patient</b>		\$11,142	27.9%
<b>Total</b>		\$40,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

**DATA FOR COMPROMISE SETTLEMENT**

**COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES**

**TRANSMITTAL No. 3  
DATE: August 12, 2008**

<b>Total Charges (Providing Facility)</b>	\$35,497	<b>Account Number</b>	EMS 182
<b>Amount Paid to Providing Facility</b>	\$7,500	<b>Service Type</b>	Inpatient
<b>Compromise Amount Offered</b>	\$7,161	<b>Date of Service</b>	8/30/05-8/30/05
		<b>% of Payment Recovered</b>	95%

**JUSTIFICATION**

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Northridge Hospital and incurred total inpatient charges of \$35,497 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$7,500. The patient's third-party claim has been settled for \$25,000 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement (\$25,000)</b>
<b>Attorney fees</b>	\$8,333	\$8,333	33.3%
<b>Attorney cost</b>	\$820	\$820	3.3%
<b>Los Angeles County</b>	\$35,497	\$7,161	28.6%
<b>Other Lien Holders</b>	\$6,551	\$1,967	7.9%
<b>Patient</b>		\$6,719	26.9%
<b>Total</b>		\$25,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

**DATA FOR COMPROMISE SETTLEMENT**

**COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES**

**TRANSMITTAL No. 4  
DATE: August 12, 2008**

<b>Total Charges (Providing Facility)</b>	\$16,940	<b>Account Number</b>	EMS 187
<b>Amount Paid to Providing Facility</b>	\$5,100	<b>Service Type</b>	Inpatient
<b>Compromise Amount Offered</b>	\$6,300	<b>Date of Service</b>	7/20/06-7/20/06
		<b>% of Payment Recovered</b>	124%

**JUSTIFICATION**

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at California Hospital Medical Center and incurred total inpatient charges of \$16,940 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$5,100. The patient's third-party claim has been settled for \$25,000 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement (\$25,000)</b>
<b>Attorney fees</b>	\$8,000	\$5,737	22.9%
<b>Attorney cost</b>	\$735	\$735	2.9%
<b>Los Angeles County</b>	\$16,940	\$6,300	25.2%
<b>Other Lien Holders</b>	\$6,491	\$6,491	26.1%
<b>Patient</b>		\$5,737	22.9%
<b>Total</b>		\$25,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

**DATA FOR COMPROMISE SETTLEMENT**

**COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES**

**TRANSMITTAL No. 5  
DATE: July 29, 2008**

<b>Total Charges (Providing Facility)</b>	\$22,807	<b>Account Number</b>	EMS 185
<b>Amount Paid to Providing Facility</b>	\$5,100	<b>Service Type</b>	Inpatient
<b>Compromise Amount Offered</b>	\$5,100	<b>Date of Service</b>	8/24/06-8/24/06
		<b>% of Payment Recovered</b>	100%

**JUSTIFICATION**

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at California Hospital Medical Center and incurred total inpatient charges of \$22,807 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$5,100. The defendants in this matter, raise the argument based on recent Case Law which allows the claimants to recover for paid amounts only. The defense has settled the patient's claim via Compromise and Release; due to liability issues. The defense has now agreed to pay \$5,100. The patient's insurance carrier has refused to provide additional information concerning the financial terms of any settlement including attorney fees, payments to other lien holders and the patient.

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

**DATA FOR COMPROMISE SETTLEMENT**

**COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES**

**TRANSMITTAL No. 6  
DATE: July 29, 2008**

<b>Total Charges (Providing Facility)</b>	\$24,334	<b>Account Number</b>	EMS 186
<b>Amount Paid to Providing Facility</b>	\$5,508	<b>Service Type</b>	Inpatient
<b>Compromise Amount Offered</b>	\$3,849	<b>Date of Service</b>	8/30/05-8/30/05
		<b>% of Payment Recovered</b>	70%

**JUSTIFICATION**

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at St. Francis Medical Center and incurred total inpatient charges of \$24,334 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$5,508. The patient's third-party claim has been settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement (\$15,000)</b>
<b>Attorney fees</b>	\$5,000	\$5,000	33.3%
<b>Los Angeles County</b>	\$24,334	\$3,849	25.7%
<b>Other Lien Holders</b>	\$7,278	\$1,151	7.7%
<b>Patient</b>		\$5,000	33.3%
<b>Total</b>		\$15,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

**DATA FOR COMPROMISE SETTLEMENT**

**COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES**

**TRANSMITTAL No. 7  
DATE: August 12, 2008**

<b>Total Charges (Providing Facility)</b>	\$20,488	<b>Account Number</b>	EMS 184
<b>Amount Paid to Providing Facility</b>	\$2,868	<b>Service Type</b>	Inpatient
<b>Compromise Amount Offered</b>	\$2,868	<b>Date of Service</b>	12/24/04-12/24/04
		<b>% of Payment Recovered</b>	100%

**JUSTIFICATION**

This patient is a minor that was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Long Beach Memorial Medical Center and incurred total inpatient charges of \$20,488 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$2,868. The patient's third-party claim has been settled for \$10,000.

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement (\$10,000)</b>
<b>Attorney cost</b>	\$2,500	\$0	
<b>Attorney cost</b>	\$5,655	\$5,655	56.6%
<b>Los Angeles County</b>	\$20,488	\$2,868	28.7%
<b>Other Lien Holders</b>	\$2,190	\$307	3.1%
<b>Patient</b>		\$1,170	11.6%
<b>Total</b>		\$10,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.