Health Services
LOS ANGELES COUNTY

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To improve health through leadership, service and education.

December 2, 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:

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

SUBJECT

To request Board approval for the Interim Director of Health Services (Director) to accept compromise offers of settlement for patients who received medical care at either County facilities 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 YOUR 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, of the following individual accounts:

Patients who received medical care at a County facility:

(1)	Account Number	LAC+USC – 5503317	$ 4,182
(2)	Account Number	LAC+USC – Various	$ 8,200
(3)	Account Number	LAC+USC – 5992433	$ 11,620
(4)	Account Number	H/UCLA – Various	$ 32,795
(5)	Account Number	H/UCLA – Various	$ 35,000
(6)	Account Number	H/UCLA – 8976047	$ 877,557

Trauma patients who received medical care at non-County facilities:

(7)	Account Number	EMS 168	$ 4,845
(8)	Account Number	EMS 189	$ 5,000
(9)	Account Number	EMS 190	$ 5,000
(10)	Account Number	EMS 164	$ 7,031
(11)	Account Number	EMS 193	$ 15,692
(12)	Account Number	EMS 192	$ 37,868

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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Patients who received medical care at a County facility: The compromise offers 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 amount the Department was able to negotiate or was offered under the legal settlement involved in these cases. The compromise offer of settlement for patient account (6) is recommended because the amount is the highest amount that could be negotiated with the patient's insurance provider (Commercial or HMO) under the circumstances of the case, and receipt of such insurance proceeds prevents further collection from the patient, except for possible beneficiary co-insurance or deductible obligations.

Trauma patients who received medical care at non-County facilities: The compromise offers of settlement for patient accounts (7) – (12) are recommended because the County has agreements with certain non-County medical facilities under which it pays for trauma care provided to eligible indigent patients at those facilities. 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 trauma 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 will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of revenue totaling approximately $1,044,790.

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% 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 Fund.

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

Respectfully submitted,

John F. Schunhoff, Ph.D.
Interim Director

JFS:lg (R:\LMARTINEZ\COMPROMISEBRDLTR#71\LETTER HSA & EMSv2)

Attachments (12)

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: December 2, 2008

Total Charges	$31,306	**Account Number**	5503317
Amount Paid	$0	**Service Type**	Inpatient
Balance Due	$31,306	**Date of Service**	2/19/07-2/22/07
Compromise Amount Offered	$4,182	**% Of Charges**	13%
Amount to be Written Off	$27,124	**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 $31,306 for medical services rendered. The patient obtained an attorney and did not apply for Medi-Cal or any of Los Angeles County's 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 *	$6,000	$5,000	33%
Lawyer's Cost			
LAC+USC Medical Center **	$31,306	$4,182	28%
Other Lien Holders **	$6,118	$818	6%
Patient		$5,000	33%
Total		$15,000	100%

* The attorney reduced his fees from $6,000 (40%) to $5,000 (33%).
** Lien holders are receiving 34% of the settlement (28% to LAC+USC Medical Center and 6% 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: December 2, 2008

Total Charges	$27,528	**Account Number**	Various
Amount Paid	$0	**Service Type**	Inpatient & Outpatient
Balance Due	$27,528	**Date of Service**	Various
Compromise Amount Offered	$8,200	**% Of Charges**	30%
Amount to be Written Off	$19,328	**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 $27,528 for medical services rendered. The patient did not apply for Medi-Cal or any of Los Angeles County's low cost/no cost programs. The patient's third party liability (TPL) claim settled for $35,000 and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	$14,000	$12,800	37%
Lawyer's Cost	$3,200	$3,200	9%
LAC+USC Medical Center **	$27,528	$8,200	23%
Other Lien Holders **	$7,700.76	$5,153	15%
Patient		$5,647	16%
Total		$35,000	100%

* The patient's attorney agreed to reduce his fees from $14,000 (40%) to $12,800 (37%).
** Lien holders are receiving 38% of the settlement (23% to LAC+USC Medical Center and 15% to others).

Based on the DHS' outside collection agency's assessment and recommendation, 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: December 2, 2008

Total Charges	$48,656	**Account Number**	5992433
Amount Paid	$0	**Service Type**	Inpatient
Balance Due	$48,656	**Date of Service**	6/10/07-6/18/07
Compromise Amount Offered	$11,619.93	**% Of Charges**	24%
Amount to be Written Off	$37,036.07	**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 $48,656 for medical services rendered. The patient did not apply for Medi-Cal or any of Los Angeles County's low cost/no cost programs. The patient's third party liability (TPL) claim settled for $35,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	$11,666.66	$11,666.66	33%
Lawyer's Cost	$94.08	$94.08	1%
LAC+USC Medical Center **	$48,656	$11,619.93	33%
Other Lien Holders **	$55,222	$1,168	3%
Patient		$10,451.33	30%
Total		$35,000	100%

* Lien holders are receiving 36% of the settlement (33% to LAC+USC Medical Center and 3% to others).

Based on the DHS' outside collection agency's assessment and recommendation, 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 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: December 2, 2008

Total Charges	$320,554	**Account Number**	Various
Amount Paid	$0	**Service Type**	Inpatient & Outpatient
Balance Due	$320,554	**Date of Service**	Various
Compromise Amount Offered	$32,794.57	**% Of Charges**	10%
Amount to be Written Off	$287,759.43	**Facility**	H/UCLA Medical Center

JUSTIFICATION

This patient had an accident in another person's home. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient and outpatient charges of $320,554 for medical services rendered. The patient is a General Relief (GR) recipient and was denied Medi-Cal. The patient's third party liability (TPL) claim settled for $100,000, 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	$33,333.33	$33,333.33	33%
Lawyer's Cost	$538.76	$188.76	0%
H/UCLA Medical Center	$320,554	$32,794.57	33%
Other Lien Holders			
Patient		$33,683.34	34%
Total		$100,000	100%

Based on the DHS' outside collection agency's assessment and recommendation, 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 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. 5
DATE: December 2, 2008

Total Charges	$324,244	**Account Number**	Various
Amount Paid	$0	**Service Type**	Inpatient & Outpatient
Balance Due	$324,244	**Date of Service**	Various
Compromise Amount Offered	$35,000	**% Of Charges**	11%
Amount to be Written Off	$289,244	**Facility**	H/UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient and outpatient charges of $324,244 for medical services rendered. The patient is a General Relief (GR) recipient and did not apply for Medi-Cal or any of Los Angeles County's low cost/no cost programs. The patient's third party liability (TPL) claim settled for $100,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	$33,333	$33,333	33%
Lawyer's Cost	$385.75	$385.75	1%
H/UCLA Medical Center	$324,244	$35,000	35%
Other Lien Holders	$1,103.25	$1,103.25	1%
Patient		$30,178	30%
Total		$60,000	100%

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 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. 6
DATE: December 2, 2008

Total Charges	$1,032,420	**Account Number**	8976047
Amount Paid	$0	**Service Type**	Inpatient
Balance Due	$1,032,420	**Date of Service**	3/1/08-5/30/08
Compromise Amount Offered	$877,557	**% Of Charges**	85%
Amount to be Written Off	$154,863	**Facility**	H/UCLA Medical Center

JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of this case, and receipt of such insurance proceeds prevents further collection from the patient, except for possible beneficiary coinsurance or deductible obligations.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 7
DATE: December 2, 2008

Total Charges (Providing Facility)	$42,788	**Account Number**	EMS 168
Amount Paid to Providing Facility	$7,500	**Service Type**	Inpatient
Compromise Amount Offered	$4,845	**Date of Service**	11/25/05-11/30/05
		% of Payment Recovered	65%

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident; the patient was treated at Holy Cross Hospital and incurred total inpatient charges of $42,788 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 $30,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	**Total Claim**	**Proposed Settlement**	**Percent of Settlement ($30,000)**
Attorney fees	$12,000	$10,000	33.3%
Attorney cost	$ 3,186	$3,186	10.6%
Los Angeles County	$42,788	$4,845	16.2%
Other Lien Holders	$ 8,821	$1,969	6.6%
Patient		$10,000	33.3%
Total		$30,000	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. 8
DATE: December 2, 2008

Total Charges (Providing Facility)	$37,331	**Account Number**	EMS 189
Amount Paid to Providing Facility	$5,508	**Service Type**	Inpatient
Compromise Amount Offered	$5,000	**Date of Service**	10/12/07-10/12/07
		% of Payment Recovered	91%

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 $37,331 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:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement ($15,000)
Attorney fees	$3,750	$3,750	25.0%
Attorney cost	$175	$175	1.2%
Los Angeles County	$37,331	$5,000	33.3%
Patient		$6,075	40.5%
Total		$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. 9
DATE: December 2, 2008

Total Charges (Providing Facility)	$22,167	**Account Number**	EMS 190
Amount Paid to Providing Facility	$10,692	**Service Type**	Inpatient
Compromise Amount Offered	$5,000	**Date of Service**	10/04/07-10/05/07
		% of Payment Recovered	46.7%

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 $22,167 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of $10,692. The patient's third-party claim has been settled for $15,000 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	$3,372	22.5%
Attorney cost	$230	$0	0%
Los Angeles County	22,167	$5,000	33.3%
Other Lien Holders	$3,866	$2,873	19.2
Patient		$3,755	25.0%
Total		$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. 10
DATE: December 2, 2008

Total Charges (Providing Facility)	$116,460	**Account Number**	EMS 164
Amount Paid to Providing Facility	$35,640	**Service Type**	Inpatient
Compromise Amount Offered	$7,031	**Date of Service**	7/10/06-7/12/06
		% of Payment Recovered	20%

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 $116,460 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of $35,640. The patient's third-party claim has been settled for $25,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	**Total Claim**	**Proposed Settlement**	**Percent of Settlement ($25,000)**
Attorney fees	$8,333	$8,333	33.3%
Los Angeles County	$116,640	$7,031	28.2%
Other Lien Holders	$21,566	$1,303	5.2%
Patient		$8,333	33.3%
Total		$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. 11
DATE: December 2, 2008

Total Charges (Providing Facility)	$57,077	**Account Number**	EMS 193
Amount Paid to Providing Facility	$17,500	**Service Type**	Inpatient
Compromise Amount Offered	$15,692	**Date of Service**	10/6/04-10/11/04
		% of Payment Recovered	89.6%

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Providence Holy Cross medical Center and incurred total inpatient charges of $57,077 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of $17,500. The patient's third-party claim has been settled for $60,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	**Total Claim**	**Proposed Settlement**	**Percent of Settlement ($60,000)**
Attorney fees	$15,000	$15,000	25.0%
Attorney cost	$6,215	$6,215	10.3%
Los Angeles County	$57,077	$15,692	26.2%
Other Lien Holders	$8,382	$7,402	12.3%
Patient		$15,691	26.2%
Total		$60,000	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. 12
DATE: December 2, 2008

Total Charges (Providing Facility)	$130,809	**Account Number**	EMS 192
Amount Paid to Providing Facility	$25,800	**Service Type**	Inpatient
Compromise Amount Offered	$37,868	**Date of Service**	7/18/06-7/25/06
		% of Payment Recovered	147%

JUSTIFICATION

This patient was involved in an automobile versus a tractor trailer accident. As a result of this accident, the patient was treated at St. Francis Medical Center and incurred total inpatient charges of $130,809 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of $25,800. The patient's third-party claim has been settled for $200,395 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement ($200,395)
Attorney fees	$80,158	$65,000	32.4%
Attorney cost	$21,790	$21,790	10.9%
Los Angeles County	$130,809	$37,868	18.9%
Other Lien Holders	$46,212	$37,868	18.9%
Patient		$37,869	18.9%
Total		$200,395	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.