Health Services
LOS ANGELES COUNTY

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To improve health through leadership, service and education.

April 7, 2009

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

24 APRIL 7, 2009

SACHI A. HAMAI
EXECUTIVE OFFICER

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 – Various	$ 5,000
(2)	Account Number	RLANRC – Various	$ 7,500
(3)	Account Number	H/UCLA – Various	$ 8,333
(4)	Account Number	H/UCLA – 9396802	$ 313,278
(5)	Account Number	H/UCLA – 8951762	$ 320,210
(6)	Account Number	LAC+USC – 7696892	$ 535,629

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

(7)	Account Number	EMS 191	$ 900
(8)	Account Number	EMS 502	$ 29,000

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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) - (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 was able to negotiate or was offered under the legal settlement involved in these cases. The compromise offers of settlement for patient accounts (4) - (6) are recommended because the amounts are the highest amount that could be negotiated with the patient's insurance provider (Commercial or HMO) under the circumstances of these cases, 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) – (8) 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 $1,219,850.

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#75\LETTER HSA & EMS)

Attachments (8)

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: April 7, 2009

Total Charges	$82,146	**Account Number**	Various
Amount Paid	$0	**Service Type**	Inpatient & Outpatient
Balance Due	$82,146	**Date of Service**	Various
Compromise Amount Offered	$5,000	**% Of Charges**	6 %
Amount to be Written Off	$77,146	**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 $82,146 for medical services rendered. The patient was denied Medi-Cal and did not apply for 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 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			
LAC+USC Medical Center	$5,000	$5,000	33.33 %
Other Lien Holders			
Patient	$5,000	$5,000	33.33 %
Total		$15,000	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 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: April 7, 2009

Total Charges	$69,196	**Account Number**	Various
Amount Paid	$0	**Service Type**	Inpatient & Outpatient
Balance Due	$69,196	**Date of Service**	Various
Compromise Amount Offered	$7,500	**% Of Charges**	11 %
Amount to be Written Off	$61,696	**Facility**	RLANRC

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at RLANRC and incurred total inpatient and outpatient charges of $69,196 for medical services rendered. The patient was denied Medi-Cal and is not eligible for 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 his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	$4,999.50	$4,999.50	33 %
Lawyer's Cost	$575	$575	4 %
H/UCLA Medical Center	$69,196	$7,500	50 %
Other Lien Holders	$351,212.17	$191.74	1 %
Patient		$1,733.76	12 %
Total		$15,000	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 to meet his obligation to RLANRC 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: April 7, 2009

Total Charges	$66,871	**Account Number**	Various
Amount Paid	$0	**Service Type**	Inpatient
Balance Due	$66,871	**Date of Service**	Various
Compromise Amount Offered	$8,333.33	**% Of Charges**	12 %
Amount to be Written Off	$58,537.67	**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 charges of $66,871 for medical services rendered. The patient had no Social Security Number 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 $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 *			
H/UCLA Medical Center	$66,871	$8,333.33	33.33 %
Other Lien Holders			
Patient		$8,333.34	33.34 %
Total		$25,000	100%

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

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 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. 4
DATE: April 7, 2009

Total Charges	$417,704	**Account Number**	9396802
Amount Paid	$0	**Service Type**	Inpatient
Balance Due	$417,704	**Date of Service**	9/12/08-10/18/08
Compromise Amount Offered	$313,278	**% Of Charges**	75 %
Amount to be Written Off	$104,426	**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. 5
DATE: April 7, 2009

Total Charges	$400,263	**Account Number**	8951762
Amount Paid	$0	**Service Type**	Inpatient
Balance Due	$400,263	**Date of Service**	2/16/08-3/24/08
Compromise Amount Offered	$320,210.40	**% Of Charges**	80 %
Amount to be Written Off	$80,052.60	**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. 6
DATE: April 7, 2009

Total Charges	$630,152	**Account Number**	7696892
Amount Paid	$0	**Service Type**	Inpatient
Balance Due	$630,152	**Date of Service**	7/22/08-9/11/08
Compromise Amount Offered	$535,629.20	**% Of Charges**	85 %
Amount to be Written Off	$94,522.80	**Facility**	LAC+USC 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: April 7, 2009

Total Charges (Providing Facility)	$17,783	**Account Number**	EMS191
Amount Paid to Providing Facility	$3,800	**Service Type**	Inpatient
Compromise Amount Offered	$900	**Date of Service**	8/9/2004-8/9/2004
		% of Payment Recovered	24%

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 $17,783 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of $3,800. The patient's third-party claim has been settled for $3,500 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement ($3,500)
Attorney fees	$1,055	$1,055	30.11%
Attorney cost	$345	$345	9.9%
Los Angeles County *	$17,783	$900	25.71%
Other Lien Holders *	$9,224	$600	17.14%
Patient		$600	17.14%
Total		$3,500	100.00%

* Lien holders are receiving 42.85% of the settlement (25.71% to Los Angeles County and 17.14% to others).

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: April 7, 2009

Total Charges (Providing Facility)	$206,413	**Account Number**	EMS502
Amount Paid to Providing Facility	$46,008	**Service Type**	Inpatient
Compromise Amount Offered	$29,000	**Date of Service**	8/23/2007-9/5/2007
		% of Payment Recovered	63%

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 $206,413 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of $46,008. The patient's third-party claim has been settled for $100,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	**Total Claim**	**Proposed Settlement**	**Percent of Settlement ($100,000)**
Attorney fees	$35,000	$35,000	35%
Attorney cost	$2,200	$2,200	2%
Los Angeles County	$206,413	$29,000	29%
Other Lien Holders			
Patient		$33,800	34%
Total		$100,000	100%

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