Health Services
LOS ANGELES COUNTY

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#29 JUNE 14, 2011

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SACHI A. HAMAI
EXECUTIVE OFFICER

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To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners

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June 14, 2011

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:

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

SUBJECT

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

Patients who received medical care at County facilities:
(1) Account Number LAC+USC MC – Various $4,500
(2) Account Number LAC+USC MC – Various $4,765
(3) Account Number Harbor-UCLA MC – Various $5,000
(4) Account Number LAC+USC MC – Various $6,009
(5) Account Number LAC+USC MC – Various $7,500
(6) Account Number Harbor-UCLA MC – Various $10,744
(7) Account Number LAC+USC MC – Various $14,778
(8) Account Number LAC+USC MC – Various $32,546

(9) Account Number Harbor-UCLA MC – 1097984 $333,406

Trauma patients who received medical care at non-County facilities:
(10) Account Number EMS - 516 $9,654

Total All Accounts: $428,902

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Patients who received medical care at a County facility: The compromise offers of settlement for patient accounts (1) - (8) 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 (9) is recommended because the offer 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 offer of settlement for patient account (10) is 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 supports Goal 1, Operational Effectiveness, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of revenue totaling approximately $428,902.

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.

On January 15, 2002, your 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, your 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 your 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.

Respectfully submitted,

Mitchell H. Katz, M.D.
Director

MHK:lg

Enclosures

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

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: JUNE 14, 2011

Total Gross Charges	$35,345	**Account Number**	Various
Amount Paid	$0	**Service Type**	Inpatient & Outpatient
Balance Due	$35,345	**Date of Service**	Various
Compromise Amount Offered	$4,500	**% Of Charges**	13 %
Amount to be Written Off	$30,845	**Facility**	LAC+USC Medical Center

JUSTIFICATION

This patient was 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 gross charges of $35,345 for medical services rendered. No coverage was found for the patient. 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 *	$6,000	$6,000	40 %
Lawyer's Cost	$357.80	$357.80	2 %
LAC+USC Medical Center **	$35,345	$4,500	30 %
Other Lien Holders **	$2,623.30	$500	4 %
Patient	-	$3,642.20	24 %
Total	-	$15,000	100 %

* Attorney's fee of 40% was agreed upon in the retainer's agreement between the patient and his attorney.

** Lien holders are receiving 34% of the settlement (30% to LAC+USC Medical Center and 4% 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 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: JUNE 14, 2011

Total Gross Charges	$32,810	**Account Number**	Various
Amount Paid	$0	**Service Type**	Inpatient & Outpatient
Balance Due	$32,810	**Date of Service**	Various
Compromise Amount Offered	$4,764.63	**% Of Charges**	15 %
Amount to be Written Off	$28,045.37	**Facility**	LAC+USC Medical Center

JUSTIFICATION

This patient was 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 gross charges of $32,810 for medical services rendered. No coverage was found for the patient. 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 %
Lawyer's Cost	$470.74	$470.74	3 %
LAC+USC Medical Center *	$32,810	$4,764.63	32 %
Other Lien Holders *	$8,198.20	$2,000	13 %
Patient	-	$2,764.63	19 %
Total	-	$15,000	100 %

* Lien holders are receiving 45% of the settlement (32% to LAC+USC Medical Center and 13% to others).

Based on 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. 3
DATE: JUNE 14, 2011

Total Gross Charges	$44,311	**Account Number**	Various
Amount Paid	$0	**Service Type**	Inpatient & Outpatient
Balance Due	$44,311	**Date of Service**	Various
Compromise Amount Offered	$5,000	**% Of Charges**	11 %
Amount to be Written Off	$39,311	**Facility**	H-UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H-UCLA Medical Center and incurred total inpatient and outpatient gross charges of $44,311 for medical services rendered. The patient has ATP with no liability and no other coverage was found. 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	$3,750	$3,750	25 %
Lawyer's Cost	$18.36	$18.36	0 %
H-UCLA Medical Center *	$44,311	$5,000	33 %
Other Lien Holders *	$1,794.07	$1,000	7 %
Patient	-	$5,231.64	35 %
Total	-	$15,000	100 %

* Lien holders are receiving 40% of the settlement (33% to H-UCLA Medical Center and 7% to others).

Based on 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 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. 4
DATE: JUNE 14, 2011

Total Gross Charges	$25,342	**Account Number**	Various
Amount Paid	$0	**Service Type**	Inpatient & Outpatient
Balance Due	$25,342	**Date of Service**	Various
Compromise Amount Offered	$6,008.79	**% Of Charges**	24 %
Amount to be Written Off	$19,333.21	**Facility**	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in a slip and fall accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of $25,342 for medical services rendered. The patient has limited scope Medi-Cal that did not cover the services provided. The patient's third party liability (TPL) claim settled for $30,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	$12,000	$12,000	40 %
Lawyer's Cost	$3,230.42	$3,230.42	11 %
LAC+USC Medical Center *	$25,342	$6,008.79	20 %
Other Lien Holders *	$2,752	$2,752	9 %
Patient	-	$6,008.79	20 %
Total	-	$30,000	100 %

* Attorney's fee of 40% was agreed upon in the retainer's agreement between the patient and his attorney.

** Lien holders are receiving 29% of the settlement (20% to LAC+USC Medical Center and 9% to others). This settlement distribution is consistent with the Hospital Lien Act (California Civil Code section 3045) which indicates that lien holders are entitled to up to 50% of the settlement after deducting attorney's fees and cost. The lien holders will receive 29% of the settlement with the patient receiving the remaining 20%.

Based on 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. 5
DATE: JUNE 14, 2011

Total Gross Charges	$80,798	**Account Number**	Various
Amount Paid	$0	**Service Type**	Inpatient & Outpatient
Balance Due	$80,798	**Date of Service**	Various
Compromise Amount Offered	$7,500	**% Of Charges**	9 %
Amount to be Written Off	$73,298	**Facility**	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile versus motorcycle accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of $80,798 for medical services rendered. No coverage was found for the patient. 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 *	$6,000	$3,750	25 %
Lawyer's Cost	$279.38	$279.38	2 %
LAC+USC Medical Center **	$80,798	$7,500	50 %
Other Lien Holders **	$1,970.62	$1,970.62	13 %
Patient	-	$1,500	10 %
Total	-	$15,000	100 %

* The attorney agreed to reduce his fees from $6,000 (40%) to $3,750 (25%).

** Lien holders are receiving 63% of the settlement (50% to LAC+USC Medical Center and 13% to others).

Based on 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. 6
DATE: JUNE 14, 2011

Total Gross Charges	$40,362	**Account Number**	Various
Amount Paid	$0	**Service Type**	Inpatient & Outpatient
Balance Due	$40,362	**Date of Service**	Various
Compromise Amount Offered	$10,743.64	**% Of Charges**	27 %
Amount to be Written Off	$29,618.36	**Facility**	H-UCLA Medical Center

JUSTIFICATION

This patient was involved in a slip and fall accident. As a result of this accident, the patient was treated at H-UCLA Medical Center and incurred total inpatient and outpatient gross charges of $40,362 for medical services rendered. The patient has ATP with no liability and no other coverage was found. The patient's third party liability (TPL) claim settled for $37,500 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	$15,000	$15,000	40 %
Lawyer's Cost	$1,012.73	$1,012.73	2 %
H-UCLA Medical Center **	$40,362	$10,743.64	29 %
Other Lien Holders **	$9,750	$1,400	4 %
Patient	-	$9,343.63	25 %
Total	-	$37,500	100 %

* Attorney's fee of 40% was agreed upon in the retainer's agreement between the patient and his attorney.

** Lien holders are receiving 33% of the settlement (29% to H-UCLA Medical Center and 4% to others).

Based on 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. 7
DATE: JUNE 14, 2011

Total Gross Charges	$65,545	**Account Number**	Various
Amount Paid	$0	**Service Type**	Inpatient & Outpatient
Balance Due	$65,545	**Date of Service**	Various
Compromise Amount Offered	$14,777.52	**% Of Charges**	23 %
Amount to be Written Off	$50,767.48	**Facility**	LAC+USC Medical Center

JUSTIFICATION

This patient was 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 gross charges of $65,545 for medical services rendered. The patient has ATP with no liability and qualifies for Section 1011 coverage. DHS will refund any payments received from Section 1011 once payment from this settlement is received. The patient's third party liability (TPL) claim settled for $45,000 and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	$18,000	$18,000	40 %
Lawyer's Cost	-	-	-
LAC+USC Medical Center **	$65,545	$14,777.52	33 %
Other Lien Holders **	$986.76	$272.47	1 %
Patient	-	$11,950.01	26%
Total	-	$45,000	100 %

* Attorney's fee of 40% was agreed upon in the retainer's agreement between the patient and her attorney.

** Lien holders are receiving 34% of the settlement (33% to LAC+USC Medical Center and 1% to others).

Based on 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 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. 8
DATE: JUNE 14, 2011

Total Gross Charges	$101,043	**Account Number**	Various
Amount Paid	$0	**Service Type**	Inpatient & Outpatient
Balance Due	$101,043	**Date of Service**	Various
Compromise Amount Offered	$32,546	**% Of Charges**	32 %
Amount to be Written Off	$68,497	**Facility**	LAC+USC Medical Center

JUSTIFICATION

This patient was 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 gross charges of $101,043 for medical services rendered. No coverage was found for the patient. 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 his 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	$1,575	$1,575	2 %
LAC+USC Medical Center *	$101,043	$32,546	32 %
Other Lien Holders *	$2,557.75	$2,557.75	3 %
Patient	-	$29,987.92	30 %
Total	-	$100,000	100 %

* Lien holders are receiving 35% of the settlement (32% to LAC+USC Medical Center and 3% to others).

Based on 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. 9
DATE: JUNE 14, 2011

Total Balance	$416,758	**Account Number**	1097984
Amount Paid	$0	**Service Type**	Inpatient
Balance Due	$416,758	**Date of Service**	8/11/10 - 9/22/10
Compromise Amount Offered	$333,406.40	**% Of Charges**	80 %
Amount to be Written Off	$83,351.60	**Facility**	H-UCLA Medical Center

JUSTIFICATION

The above compromise offer of settlement is the highest amount that the patient's insurance (Commercial or HMO) could offer 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. 10
DATE: JUNE 14, 2011

Total Charges (Providers)	$50,465	**Account Number**	EMS 516
Amount Paid to Provider	$9,900	**Service Type / Date of Service**	Inpatient 8/11/07 - 8/12/07
Compromise Amount Offered	$9,654	**% of Payment Recovered**	98%

JUSTIFICATION

This patient was involved in an automobile accident. As a result of the incident, the patient was treated at Holy Cross Medical Center and incurred total inpatient gross charges of $50,465 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of $9,900. The patient's third-party claim has been settled for $30,000, 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 ($30,000)
Attorney fees	$10,000	$10,000	33%
Los Angeles County	$50,465	$9,654	33%
Other Lien Holders	$1,824	$346	1%
Patient	_	$10,000	33%
Total	_	$30,000	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.

Proposed settlement reimburses the Trauma Fund 98% ($9,654) of amount paid to Holy Cross Medical Center.