Health Services
LOS ANGELES COUNTY

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

20 August 6, 2013

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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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August 06, 2013

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 or Impacted Hospital Program (IHP). The compromise offers of settlement referenced below are not within the Director's authority to accept.

IT IS RECOMMENDED THAT THE 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 H-UCLA MC – 0406929 $3,903
(2) Account Number H-UCLA MC – Various $4,500
(3) Account Number H-UCLA MC – 2646170 $7,000
(4) Account Number H-UCLA MC – Various $15,000
(5) Account Number LAC+USC MC – 10220719 $18,500

Patients who received medical care at non-County facilities:
(6) Account Number EMS – 270 $ 8,020

(7) Account Number EMS – 271 $39,553
(8) Account Number IHP – 57607509 $2,000

Total All Accounts: $98,476

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.

Patients who received medical care at non-County facilities: The compromise offer of settlement for patient accounts (6) - (8) are recommended because the County has agreements with certain non-County medical facilities under which it pays for emergency or 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 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 $98,476.

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, 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 and IHP accounts (non-County facilities) will replenish the Los Angeles County Trauma and IHP Funds.

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: AUGUST 6, 2013

Total Gross Charges	$19,106	**Account Number**	406929
Amount Paid	$0	**Service Type**	Inpatient
Balance Due	$19,106	**Date of Service**	10/26/09 – 10/28/09
Compromise Amount Offered	$3,902.80	**% Of Charges**	20 %
Amount to be Written Off	$15,203.20	**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 gross charges of $19,106 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 her 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	$1,269.59	$1,269.59	9 %
H-UCLA Medical Center *	$19,106	$3,902.80	26 %
Other Lien Holders *	$4,023.50	$2,161.50	14 %
Patient	-	$1,666.11	11 %
Total	-	$15,000	100 %

* Lien holders are receiving 40% of the settlement (26% to H-UCLA Medical Center and 14% 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. 2
DATE: AUGUST 6, 2013

Total Gross Charges	$28,659	**Account Number**	Various
Amount Paid	$0	**Service Type**	Inpatient
Balance Due	$28,659	**Date of Service**	Various
Compromise Amount Offered	$4,500	**% Of Charges**	16 %
Amount to be Written Off	$24,159	**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 gross charges of $28,659 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	$5,000	33 %
Lawyer's Cost	$1,293.72	$1,293.72	9 %
H-UCLA Medical Center *	$28,659	$4,500	30 %
Other Lien Holders *	$1,557.50	$1,557.50	10 %
Patient	-	$2,648.78	18 %
Total	-	$15,000	100 %

* Lien holders are receiving 40% of the settlement (30% to H-UCLA 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 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. 3
DATE: AUGUST 6, 2013

Total Gross Charges	$38,212	**Account Number**	2646170
Amount Paid	$0	**Service Type**	Inpatient
Balance Due	$38,212	**Date of Service**	4/15/12 – 4/19/12
Compromise Amount Offered	$7,000	**% Of Charges**	18 %
Amount to be Written Off	$31,212	**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 gross charges of $38,212 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	$4,000	27 %
Lawyer's Cost	-	-	-
H-UCLA Medical Center	$38,212	$7,000	46 %
Other Lien Holders	-	-	-
Patient	-	$4,000	27 %
Total	-	$15,000	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 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: AUGUST 6, 2013

Total Gross Charges	$38,616	**Account Number**	Various
Amount Paid	$0	**Service Type**	Inpatient & Outpatient
Balance Due	$38,616	**Date of Service**	Various
Compromise Amount Offered	$15,000	**% Of Charges**	39 %
Amount to be Written Off	$23,616	**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 (Emergency Room Admittance) and outpatient gross charges of $38,616 for medical services rendered. The patient is an out-of-county patient and no coverage was found. The patient's third party liability (TPL) claim settled for $50,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	$16,666	$16,666	33 %
Lawyer's Cost	$250	$250	1 %
H-UCLA Medical Center *	$38,616	$15,000	30 %
Other Lien Holders *	$3,584.25	$2,272.40	5 %
Patient	-	$15,811.60	32 %
Total	-	$50,000	100 %

* Lien holders are receiving 35% of the settlement (30% to H-UCLA Medical Center and 5% 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 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: AUGUST 6, 2013

Total Gross Charges	$42,574	**Account Number**	10220719
Amount Paid	$0	**Service Type**	Inpatient
Balance Due	$42,574	**Date of Service**	5/5/10 – 5/12/10
Compromise Amount Offered	$18,500	**% Of Charges**	43 %
Amount to be Written Off	$24,074	**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 gross charges of $42,574 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for $50,000, 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	$50,000	$22,500	45 %
Lawyer's Cost	$1,075.48	$1,075.48	2 %
LAC+USC Medical Center	$42,574	$18,500	37 %
Other Lien Holders	-	-	-
Patient	-	7,924.52	16 %
Total	-	$50,000	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 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: AUGUST 6, 2013

Total Charges (Providers)	$65,741	**Account Number**	EMS 270
Amount Paid to Provider	$26,454	**Service Type / Date of Service**	Inpatient 9/18/11 - 9/22/11
Compromise Amount Offered	$8,020	**% of Payment Recovered**	30%

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at St. Francis Medical Center and incurred total inpatient gross charges of $65,741 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of $26,454. 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	$6,300	$5,400	36 %
Lawyer cost	$783	$783	5 %
Los Angeles County	$65,741	$8,020	53 %
Other lien holders	$6,207	$757	5 %
Patient		$40	1 %
Total		$15,000	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 30% ($8,020) of amount paid to St. Francis Medical Center.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 7
DATE: AUGUST 6, 2013

Total Charges (Providers)	$160,077	**Account Number**	EMS 271
Amount Paid to Provider	$7,500	**Service Type / Date of Service**	Inpatient 11/9/2005
Compromise Amount Offered	$39,553	**% of Payment Recovered**	527%

JUSTIFICATION

The medical treatment provided to this patient was related to a work injury. As a result of this accident, the patient was treated at Cedars Sinai Medical Center and incurred total inpatient gross charges of $160,077 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of $7,500. The defense has settled the patient's claim via Compromise and Release. Due to liability issues, the defense forwarded the provider's claims for Medical Fee Schedule review. The claim was processed and paid pursuant to Official Medical Fee Schedule.

Proposed settlement reimburses the Trauma Fund 527% ($39,553) of amount paid to Cedars Sinai Medical Center.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 8
DATE: AUGUST 6, 2013

Total Charges (Providers)	$22,107.25	**Account Number**	57607509 (Impacted Hospital Program)
Amount Paid to Provider	$667.73	**Service Type / Date of Service**	Emergency Room Services 1/13/12 – 1/14/12
Compromise Amount Offered	$2,000	**% of Payment Recovered**	300 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at St. Francis Medical Center and incurred total gross charges of $22,107.25 for medical services rendered. The provider has received payment from the Los Angeles County Impacted Hospital Program in the amount of $667.73. The patient's third-party claim has been 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 %
Los Angeles County *	$22,107.25	$2,000	13 %
Other lien holders *	$49,866.60	$3,000	21 %
Patient		$5,000	33 %
Total		$15,000	100 %

* Lien holders are receiving 34% of the settlement (13% to Los Angeles County and 21% to others).

As stated in the Impacted Hospital Program (IHP) agreement, reimbursement to providers is for Emergency Room (ER) and Inpatient Services provided to eligible indigent patients.

Proposed settlement reimburses the IHP fund 300% ($2,000) of amount paid to St. Francis Medical Center ($667.73).