



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

20 JAN 12 2010

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Los Angeles County
Board of Supervisors

January 12, 2010

Gloria Molina
First District

Mark Ridlev-Thomas
Second District

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

Dear Supervisors:

John F. Schunhoff, Ph.D.
Interim Director

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

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

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

SUBJECT

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

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 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.

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through leadership,
service and education.*



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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 County facilities:

- (1) Account Number LAC+USC – Various \$ 4,534
- (2) Account Number LAC+USC – 8208134 \$ 5,000
- (3) Account Number H/UCLA – 9311459 \$ 5,000
- (4) Account Number H/UCLA – Various \$ 24,126
- (5) Account Number RLANRC – 4600060 \$ 99,661
- (6) Account Number LAC+USC – Various \$ 176,684
- (7) Account Number H/UCLA – 8621488 \$ 5,000
- (8) Account Number LAC+USC – 9019034 \$ 274,311
- (9) Account Number LAC+USC – 9334776 \$ 387,819

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

- (10) Account Number EMS – 507 \$ 4,450

Total All Accounts: \$ 986,585

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Patients who received medical care at a County facility: The compromise offers of settlement for patient accounts (1) - (6) 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 (7) – (9) are 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 \$986,585.

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, 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,



JOHN F. SCHUNHOFF, Ph.D.
Interim Director

JFS:lg

Enclosures

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

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: JANUARY 12, 2010

Total Gross Charges	\$57,382	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$57,382	Date of Service	Various
Compromise Amount Offered	\$4,533.75	% Of Charges	8%
Amount to be Written Off	\$52,848.25	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 \$57,382 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	33.33 %
Lawyer's Cost *	\$369		
LAC+USC Medical Center **	\$57,382	\$4,533.75	30.23 %
Other Lien Holders **	\$932.50	\$466.25	3.11 %
Patient		\$5,000	33.33 %
Total		\$15,000	100 %

* The attorney agreed to waive his cost.

** Lien holders are receiving 33.34 % of the settlement (30.23% to LAC+USC Medical Center and 3.11% 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: JANUARY 12, 2010

Total Gross Charges	\$99,552	Account Number	8208134
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$99,552	Date of Service	11/22/08 – 12/3/08
Compromise Amount Offered	\$5,000	% Of Charges	5 %
Amount to be Written Off	\$94,552	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 gross charges of \$99,552 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	\$4,833.33	\$4,833.33	32 %
Lawyer's Cost	\$333.33	\$333.33	3 %
LAC+USC Medical Center	\$99,552	\$5,000	33 %
Other Lien Holders			
Patient		\$4,833.34	32 %
Total		\$15,000	100 %

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. 3
DATE: JANUARY 12, 2010

Total Gross Charges	\$162,401	Account Number	9311459
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$162,401	Date of Service	7/11/08 – 7/28/08
Compromise Amount Offered	\$5,000	% Of Charges	3 %
Amount to be Written Off	\$157,401	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 gross charges of \$162,401 for medical services rendered. The patient does not qualify for Medi-Cal since her dependents are under her mother's care and was denied General Relief (GR). 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 *	\$5,000	\$3,402.20	23 %
Lawyer's Cost	\$397.30	\$397.30	3 %
H/UCLA Medical Center **	\$162,401	\$5,000	33 %
Other Lien Holders **	\$1,200.50	\$1,200.50	8 %
Patient		\$5,000	33 %
Total		\$15,000	100 %

* The attorney agreed to reduce his fees from \$5,000 (33%) to \$3,402.20 (23%).

** Lien holders are receiving 41% of the settlement (33% to H/UCLA Medical Center and 8% 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: JANUARY 12, 2010

Total Gross Charges	\$50,115	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$50,115	Date of Service	Various
Compromise Amount Offered	\$24,126.25	% Of Charges	48 %
Amount to be Written Off	\$25,988.75	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was injured as a result of a fall at a car repair facility. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient and outpatient gross charges of \$50,115 for medical services rendered. The patient has ATP with no liability. The patient's third party liability (TPL) claim settled for \$85,000, 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 *	\$34,000	\$24,836	29 %
Lawyer's Cost	\$2,749.51	\$2,749.51	3 %
H/UCLA Medical Center **	\$50,115	\$24,126.25	29 %
Other Lien Holders **	\$16,693	\$8,351.40	10 %
Patient		\$24,936.84	29 %
Total		\$85,000	100 %

* The attorney agreed to lower his fees from \$34,000 (40%) to \$24,836 (29%).

** Lien holders are receiving 39 % of the settlement (29% to H/UCLA Medical Center and 10% 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 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: JANUARY 12, 2010

Total Gross Charges	\$230,958	Account Number	4600060
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$230,958	Date of Service	4/7/08 – 5/24/08
Compromise Amount Offered	\$99,661.30	% Of Charges	43 %
Amount to be Written Off	\$131,296.70	Facility	RLANRC

JUSTIFICATION

This patient was involved in an automobile versus pedestrian accident. As a result of this accident, the patient was treated at Rancho Los Amigos National Rehabilitation Center (RLANRC) and incurred total inpatient gross charges of \$230,958 for medical services rendered. The patient is a General Relief (GR) recipient. The patient's third party liability (TPL) claim settled for \$1,000,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement *
Lawyer's Fees	\$400,000	\$400,000	40 %
Lawyer's Cost	\$47,309.42	\$47,309.42	4 %
RLANRC	\$230,958	\$99,661.30	10 %
Other Lien Holders (LAC+USC)	\$410,393	\$176,683.99	18 %
Patient		\$276,345.29	28 %
Total		\$1,000,000	100 %

* 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 attorney had done preparation for trial and a fee of 40% plus cost was agreed upon in the retainer agreement between the patient and his attorney. Lien holders are receiving 28% of the settlement (10% to RLANRC and 18% to others) with the patient receiving the remaining 28% of the settlement.

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. 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: JANUARY 12, 2010

Total Gross Charges	\$410,393	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$410,393	Date of Service	Various
Compromise Amount Offered	\$176,683.99	% Of Charges	43 %
Amount to be Written Off	\$233,709.01	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 gross charges of \$410,393 for medical services rendered. The patient is a General Relief (GR) recipient. The patient's third party liability (TPL) claim settled for \$1,000,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement *
Lawyer's Fees	\$400,000	\$400,000	40 %
Lawyer's Cost	\$47,309.42	\$47,309.42	4 %
LAC+USC Medical Center	\$410,393	\$176,683.99	18 %
Other Lien Holders (RLANRC)	\$230,958	\$99,661.30	10 %
Patient		\$276,345.29	28 %
Total		\$1,000,000	100 %

* 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 attorney had done preparation for trial and a fee of 40% plus cost was agreed upon in the retainer agreement between the patient and his attorney. Lien holders are receiving 28% of the settlement (10% to RLANRC and 18% to others) with the patient receiving the remaining 28% of the settlement.

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. 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: JANUARY 12, 2010

Total Gross Charges	\$129,854.52	Account Number	8621488
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$129,854.52	Date of Service	8/27/07 - 9/11/07
Compromise Amount Offered	\$5,000	% Of Charges	4 %
Amount to be Written Off	\$124,854.52	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. 8
DATE: JANUARY 12, 2010

Total Balance	\$365,748	Account Number	9019034
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$365,748	Date of Service	6/2/09 - 6/30/09
Compromise Amount Offered	\$274,311	% Of Charges	75 %
Amount to be Written Off	\$91,437	Facility	LAC+USC 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. 9
DATE: JANUARY 12, 2010

Total Gross Charges	\$517,092	Account Number	9334776
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$517,092	Date of Service	8/13/09 - 9/23/09
Compromise Amount Offered	\$387,819	% Of Charges	75%
Amount to be Written Off	\$129,273	Facility	LAC+USC 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: JANUARY 12, 2010

Total Gross Charges (Providing Facility)	\$54,877	Account Number	EMS 507
Amount Paid to Providing Facility	\$20,529	Service Type / Date of Service	Inpatient 9/17/08 - 9/20/08
Compromise Amount Offered	\$4,450	% of Payment Recovered	22 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at Providence Holy Cross Hospital and incurred total inpatient charges of \$54,877 for medical services rendered. EMS paid trauma contracted provider, the total sum of \$20,529. 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	\$5,000	33 %
Los Angeles County	\$54,877	\$4,450	30 %
Other Lien Holders	\$6,908	\$2,350	16 %
Patient		\$3,200	21 %
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.