



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

25 October 29, 2019

Los Angeles County
Board of Supervisors

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October 29, 2019

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

CELIA ZAVALA
EXECUTIVE OFFICER

Christina R. Ghaly, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Deputy Director, Clinical Affairs

Dear Supervisors:

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

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www.dhs.lacounty.gov

*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.*

SUBJECT

To request Board approval for the Director of Health Services, or designee, 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 THE BOARD:

Authorize the Director of Health Services (Director), or 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:

Harbor UCLA Medical Center – Account Number 101076203 in the amount of \$2,000.00

LAC+USC Medical Center - Account Number 100854865 in the amount of \$17,026.78

LAC+USC Medical Center – Account Number 101270227 in the amount of \$9,500.00



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Rancho Los Amigos National Rehabilitation Center – Account Number 100169438 in the amount of \$30,501.36

Harbor UCLA Medical Center - Account Number 100726670 in the amount of \$2,500.00

St. Francis Medical Center - Account Number IHP – 200683074 in the amount of \$4,694.00

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Patients who received medical care at County facilities: The compromise offers of settlement for patient accounts (1) is 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.

The best interest 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 actions will support Strategy III.3 “Striving for Operational Effectiveness, Fiscal Responsibility, and Accountability” of the County’s Strategic Plan.

FISCAL IMPACT/FINANCING

This will expedite the County’s recovery of revenue totaling approximately \$66,222.14. There is no net cost to the County.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under County Code Chapter Section 2.76.046, the Director, or designee, 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, or designee’s, authority requires Board approval.

On January 15, 2002, the Board adopted an ordinance granting the Director, or designee, 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, or designee, 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.

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 Funds.

Respectfully submitted,



Christina R. Ghaly, M.D.
Director

CRG:ANW:VP:rc

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 19-5-A

Amount of Aid	\$73,958.00	Account Number	101076203
Amount Paid	0.00	Name	Adult Male
Balance Due	\$73,958.00	Service Date	8/11/17
Compromise Amount Offered	\$2,000.00	Facility	Harbor-UCLA Medical Center
Amount to be Written Off	\$71,958.00	Service Type	Inpatient

JUSTIFICATION

The patient was treated at Harbor-UCLA Medical Center at a cost of \$73,958.00. The attorney has settled the case in the amount of \$15,000.00. Due to the low recovery and the insufficient funds to fully satisfy all liens, this compromise offer of settlement is recommended because it represents the maximum amount the patient's attorney is willing to pay.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES
TRANSMITTAL 19-5-B

Amount of Aid	\$306,705.00	Account Number	100854865
Amount Paid	0.00	Name	Adult Female
Balance Due	\$306,705.00	Service Date	11/21/16 – 12/11/17
Compromise Amount Offered	\$17,026.78	Facility	LAC+USC Medical Center
Amount to be Written Off	\$289,729.22	Service Type	Inpatient/Outpatient

JUSTIFICATION

The patient was involved in an automobile accident. He was treated at LAC+USC Medical Center at a total cost of \$306,705.00.

The attorney has settled the case in the amount of \$50,000.00. Due to the low recovery and the insufficient funds to fully satisfy all liens the attorney proposes the following disbursement:

Disbursements	Total Claim	Proposed Settlement	Percent of Settlement
Attorney Fees	\$20,000.00	\$15,000.00	30.00%
Attorney Cost	\$1,116.45	\$1,116.45	2.23%
Other lien holders	0.00	0.00	0.00%
Los Angeles Department of Health Services	\$306,756.00	\$17,026.78	34.05%
Net to Client	0.00	\$16,856.77	33.71%
Total	\$327,872.45	\$50,000.00	100.00%

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES
TRANSMITTAL 19-5-C

Amount of Aid	\$113,813.00	Account Number	101270227
Amount Paid	0.00	Name	Adult Male
Balance Due	\$113,813.00	Service Date	04/16/18 – 07/31/18
Compromise Amount Offered	\$9,500.00	Facility	LAC+USC Medical Center
Amount to be Written Off	\$104,313.00	Service Type	Inpatient / Outpatient

JUSTIFICATION

The patient was involved in an automobile accident. He was treated at LAC+USC Medical Center at a cost of \$113,813.00.

The attorney has settled the case in the amount of \$30,000.00. Due to the limited insurance coverage of the liable driver in this matter, there are insufficient funds to fully satisfy all liens. Therefore, the attorney proposes the following disbursement:

Disbursements	Total Claim	Proposed Settlement	Percent of Settlement
Attorney Fees	\$9,999.00	\$9,999.00	33.33%
Attorney Cost	\$161.80	\$161.80	0.54%
Other lien holders	\$5,451.30	\$488.00	1.63%
Los Angeles Department of Health Services	\$113,813.00	\$9,500.00	31.67%
Net to Client	0.00	\$9,851.20	32.84%
Total	\$129,425.10	\$30,000.00	100.00%

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES
TRANSMITTAL 19-5-D

Amount of Aid	\$94,140.00	Account Number	100169438
Amount Paid	0.00	Name	Adult Male
Balance Due	\$94,140.00	Service Date	3/8/17
Compromise Amount Offered	\$30,501.36	Facility	Rancho Los Amigos NRC
Amount to be Written Off	\$63,638.64	Service Type	Inpatient/Outpatient

JUSTIFICATION

The patient was involved in an automobile accident. He was treated at Rancho Los Amigos National Rehabilitation Center at a cost of \$94,140.00.

The attorney has settled the case in the amount of \$160,000.00. The recovery amount is not enough to fully satisfy all liens therefore the attorney proposes the following disbursement:

Disbursements	Total Claim	Proposed Settlement	Percent of Settlement
Attorney Fees	\$64,000.00	\$53,333.33	33.33%
Attorney Cost	\$3,449.17	\$3,449.17	2.16%
Other lien holders	\$65,128.16	\$21,107.39	13.19%
Los Angeles Department of Health Services	\$94,140.00	\$30,501.36	19.06%
Net to Client	0.00	\$51,608.75	32.26%
Total	\$226,717.33	\$160,000.00	100.00%

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES
TRANSMITTAL 19-5-E

Amount of Aid	\$18,900.00	Account Number	100726670
Amount Paid	0.00	Name	Adult Female
Balance Due	\$18,900.00	Service Date	03/14/17-01/18/19
Compromise Amount Offered	\$2,500.00	Facility	Harbor UCLA Medical Center
Amount to be Written Off	\$16,400.00	Service Type	Inpatient/Outpatient

JUSTIFICATION

The patient was involved in an automobile accident. She was treated at Harbor UCLA Medical Center at a cost of \$18,900.00.

The attorney has settled the case in the amount of \$200,000.00. The recovery amount is not enough to fully satisfy all liens therefore the attorney proposes the following disbursement:

Disbursements	Total Claim	Proposed Settlement	Percent of Settlement
Attorney Fees	\$80,000.00	\$80,000.00	40.00%
Attorney Cost	\$57,862.99	\$57,862.99	28.93%
Other lien holders	\$310,189.96	\$46,528.49	23.26%
Los Angeles Department of Health Services	\$18,900.00	\$2,500.00	1.25%
Net to Client	0.00	\$13,108.52	6.55%
Total	\$466,952.95	\$200,000.00	100.00%

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES
TRANSMITTAL 19-5-F

Amount of Aid	\$29,200.00	Account Number	IHP - 200683074
Amount Paid	0.00	Name	Adult Female
Balance Due	\$29,200.00	Service Date	5/26/18
Compromise Amount Offered	\$4,694.00	Facility	St. Francis Medical Center
Amount to be Written Off	\$24,506.00	Service Type	Inpatient

JUSTIFICATION

The patient was treated at Saint Francis Medical Center at a cost of \$29,200.00.

This account was paid under the contract terms of the Impacted Hospital Programs between the County of Los Angeles Department of Health Services (DHS) and SFMC. This agreement allows the County, after it has made payments for a particular patient, to pursue recovery from third parties who are financially responsible for such medical care.

The total settlement for this case was \$15,000.00 reduced by \$115.00 cost leaving \$14,885.00. Due to the low recovery and the insufficient funds to fully satisfy all liens a reduction is being requested to the amount of \$4,694.00.