



COUNTY OF LOS ANGELES

CLAIMS BOARD

500 WEST TEMPLE STREET

LOS ANGELES, CALIFORNIA 90012

MEMBERS OF THE BOARD

Jacqueline White
Chief Administrative Office
Lloyd W. Pellman
Office of the County Counsel
Maria M. Oms
Auditor-Controller

September 16, 2002

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

Re: **Coast Plaza Doctors Hospital v. County of Los Angeles**
Los Angeles Superior Court Case No. VC 033 249

Dear Supervisors:

The Claims Board recommends that:

1. The Board approve the Revised Corrective Action.

Enclosed is a copy of the approved settlement request and a summary of the facts of the case for your information.

Also enclosed, for your information, is the Revised Corrective Action Report submitted by the Sheriff's Department and Department of Health Services.

Return the executed, adopted copy to Frances Lunetta, Suite 648 Kenneth Hahn Hall of Administration, Extension 4-1754.

Very truly yours,

Jacqueline White, Chairperson
Los Angeles County Claims Board

JW/fsl

Enclosures

MEMORANDUM

June 18, 2002

TO: THE LOS ANGELES COUNTY CLAIMS BOARD

FROM: JONATHAN H. GELLER
Principal Deputy County Counsel
General Litigation Division

RE: Coast Plaza Doctors Hospital v. County of Los Angeles
Los Angeles Superior Court Case No. VC 033249

DATE OF INCIDENT: 1999 - 2001

AUTHORITY REQUESTED: \$204,164

COUNTY DEPARTMENT: Sheriff's Department and Department of Health Services

CLAIMS BOARD ACTION:

Approve

Disapprove

Recommend to Board of Supervisors for Approval

BARBARA N. UYEDA Chief Administrative Office

LLOYD W. PELLMAN County Counsel

MARIA M. OMS Auditor-Controller

on _____, 2002

SUMMARY

This is a recommendation to settle for \$204,164, two lawsuits and a claim brought by Coast Plaza Doctors Hospital, for the recovery of unpaid medical bills arising from evidence collection and medical treatment provided to arrested persons at the request of the arresting law enforcement agency.

LEGAL PRINCIPLES

When a person is arrested by a police agency and requires medical treatment before being placed in the custody of the Sheriff's Department, the County of Los Angeles is responsible under California law for payment of the arrested person's medical treatment.

SUMMARY OF FACTS

Coast Plaza Doctors Hospital (Coast Plaza) is an urgent care facility in Norwalk utilized by the Sheriff's Department from 1991 to the present to provide emergency medical treatment to arrested persons who were in need of medical care before being placed in County jail. The medical services rendered by Coast Plaza fell into two categories: (1) medical approval to book the individual or evidence collection, such as blood samples in Driving Under the Influence (DUI) arrests; and (2) emergency treatment for arrested persons who would be transferred directly to County jail after the treatment. The Sheriff's Department pays the cost for evidence collection and the Department of Health Services pays for the medical treatment provided to arrestees. Coast Plaza was utilized by the Sheriff's Department because County facilities were either not available or too far away from the scene of the arrestee's injury.

The Sheriff's Department has reimbursed Coast Plaza for the medical care provided to arrestees since 1991, at Medi-Cal rates, amounting to Coast Plaza being paid approximately 14-19% of the gross amount of the medical bills.

Coast Plaza has alleged that the Sheriff's Department has not paid all of the outstanding medical bills and that using the Medi-Cal rate for the services rendered is inadequate and not the appropriate rate.

DAMAGES

Coast Plaza contends that it provided the services to the arrestees based upon an implied agreement that the County would reimburse Coast Plaza for the reasonable value of the medical services rendered. Coast Plaza seeks the

recovery of medical services provided to arrestees in the amount of \$659,275, from 1999 to January 2001.

STATUS OF CASE

This case was recently mediated which resulted in this proposed settlement. A trial date has not been set due to this proposed settlement.

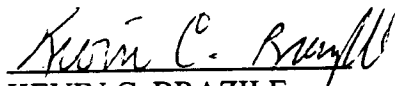
Expenses incurred by the County in the defense of this matter are attorneys' fees of \$75,832 and costs of \$3,521.

EVALUATION

The County is obligated to reimburse Coast Plaza for the reasonable value of the medical services provided to arrestees brought to the hospital by the Sheriff's Department. The County must also pay for the reasonable value of medical services provided by Coast Plaza to persons arrested by other law enforcement agencies when the arrestee is taken directly to County jail after receiving medical treatment. Although the Sheriff's Department and DHS have been paying the medical services bills at the State Medi-Cal reimbursement rate of 14-19% of the gross medical charges, a court could conclude that the County must pay 100% of the gross medical charges, because there is no written contract between the County and Coast Plaza establishing payment rates. Moreover, it is undisputed that the County is responsible for paying the medical expenses, and if a court rules that the Medi-Cal rate should not be used by the County, the court could render a judgment for Coast Plaza that could well exceed the proposed settlement amount.

We believe settlement of this litigation for \$204,164 is in the best interest of the County. The Sheriff's Department and Health Services concur with this recommendation. The Sheriff's Department will pay \$57,165.92 of the settlement and the Department of Health Services will pay the remaining \$146,998.08 of the settlement amount.

APPROVED:


KEVIN C. BRAZILE
Assistant County Counsel

JHG:srm

Los Angeles County Department of Health Services

CORRECTIVE ACTION PLAN

LAWSUIT OF: Coast Plaza Doctors Hospital v. County of Los Angeles, et al.
Case No. VC033249

INCIDENTS' DATE: 1999 through 2001

INCIDENTS' LOCATION: 13100 Studebaker Road, Norwalk, CA 90650

RISK ISSUES: Under California law, when a person arrested by the Sheriff's Department or any other local police agency is taken for medical treatment at a private hospital or medical facility, and then taken to County jail immediately following the medical treatment, the County of Los Angeles is responsible for paying the cost of the medical care or treatment provided to the arrestee.

INVESTIGATIVE REVIEW: From approximately 1991 through 2001, the Sheriff's Department has used Coast Plaza Doctors Hospital (Coast Plaza), an urgent care facility in Norwalk, for various health care services. The medical services provided by Coast Plaza were for blood sample collections as evidence against persons arrested for driving under the influence of alcohol or drugs; and emergency medical treatment of persons who had been arrested and needed medical clearance before the individual could be booked into the County jail.

The Sheriff's Department and other local police agencies began taking arrestees to Coast Plaza, and the County has reimbursed the hospital at the Medi-Cal rate for the medical services provided, which amounts to approximately 14-19% of the gross medical charges. Coast Plaza has brought two lawsuits against the County that are being litigated and has filed another claim in January 2002. Coast Plaza is seeking to collect \$659,275 for the medical claims that the two lawsuits and claim are based upon. The lawsuits and claim allege that the County either failed to make payments and/or failed to compensate Coast Plaza at the appropriate rate for the medical services, which Coast Plaza contends is substantially higher than the Medi-Cal rate.

TRAINING ISSUES: There are no training issues at this time.

POLICY ISSUES: A review by the Department of Health Services has determined that no department policy or procedures were violated. The issue of what is the appropriate rate on which to base payment of the medical claims is a legal issue that remains unresolved by the courts.

CORRECTIVE ACTION: The Sheriff's Department and the Department of Health Services are jointly working to review the appropriateness of the Medi-Cal reimbursement rates payable to Coast Plaza for medical treatment services provided to arrestees. A team of representatives from the Sheriff's Department, Department of Health Services, and County Counsel has been assembled and has met to discuss claims processing procedures to further enhance the methods and practices involved by the Sheriff's Department and Department of Health Services in reviewing the claims for medical services. The team also met to develop a strategy for approaching Coast Plaza to obtain a contract establishing appropriate reimbursement rates for the

services provided. The Department of Health Services, with assistance from County Counsel, will assume the lead in the negotiations. It is anticipated that the operational terms to the contract will be agreed upon by late September, 2002 and that the draft contract will be completed for review by the Department of Health Services, the Sheriff's Department and County Counsel by late October, 2002. The completed draft contract will then be presented to Coast Plaza for their approval. After such approval is obtained, the Department of Health Services will assemble the Board letter with a goal of obtaining Board of Supervisors approval of the contract by early February, 2003.