



**THOMAS L. GARTHWAITE, M.D.**  
Director and Chief Medical Officer

**FRED LEAF**  
Chief Operating Officer

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES  
313 N. Figueroa, Los Angeles, CA 90012  
(213) 240-8101

BOARD OF SUPERVISORS

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September 26, 2002

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 OFFER OF SETTLEMENT  
(ALL DISTRICTS AFFECTED - 3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

Pursuant to Section 1473 of the Health and Safety Code, authorize acceptance of the attached compromise offers of settlement for the following individuals who received medical care at a County facility:

- (1) Account Number-7139934, in the amount of \$4,074
- (2) Account Number-5900598, in the amount of \$14,000
- (3) Account Number-4498614, in the amount of \$30,000
- (4) Account Number-4344247, in the amount of \$220,000

**PURPOSE OF THE RECOMMENDED ACTION:**

The compromise offers of settlement for patient accounts (1) and (2) are recommended because the patients, estates, or legally responsible relatives are unable to pay the full amount of charges. The compromise offers of settlement for patient accounts (3) and (4) are recommended because the patients' Health Maintenance Organization is offering to pay the maximum amount payable to any provider for the services rendered to their member.

**JUSTIFICATION:**

The best interests of the County would be served by the approval of these recommendations.

**FISCAL IMPACT:**

For patient accounts (1) and (2) the County will recover partial payment from proceeds due to the patients from third-party liability settlements against debts, otherwise uncollectible, because of the limited financial resources of the individuals responsible for payment of the medical care. For patient accounts (3) and (4), the County will recover partial payments from the patients' Health Maintenance Organization for the medical care provided.

**FINANCING:**

Not applicable.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

On January 8, 2002 the Board approved an ordinance granting the Director of Health Services (Director) authority to reduce patient account liabilities when in the best interest of the County. The ordinance was adopted by the Board on January 15, 2002.

Under County Code Chapter Section 2.7.6. 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, with any reduction exceeding the Director's authority requiring Board approval.

Because the compromise of these accounts is not within the Director's authority, the Director is recommending Board approval of these compromises.

**CONTRACTING PROCESS:**

Not applicable.

**IMPACT ON CURRENT SERVICES (OR PROJECTS):**

The approval of the compromised payment amount will benefit DHS' ability to maximize net revenues on these accounts.

The Honorable Board of Supervisors  
September 26, 2002  
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When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,

Thomas L. Garthwaite, M.D.  
Director and Chief Medical Officer

TLG:lg

Attachments

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

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**DATA FOR COMPROMISE SETTLEMENT**

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1  
DATE: September 26, 2002

<b>Amount of Aid</b>	\$42,574	<b>Account Number</b>	7139934
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$42,574	<b>Date of Service</b>	10/17/01-10/24/01
<b>Compromise Amount Offered</b>	\$4,074	<b>Facility</b>	LAC+ USC Medical Center
<b>Amount to be Written Off</b>	\$38,500		

**JUSTIFICATION**

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at LAC+ USC Medical Center and incurred total charges of \$42,574 for medical services rendered.

The patient's third-party claim has been settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
<b>Attorney fees</b>	\$5,000	\$5,000	33%
<b>LAC+ USC Medical Center</b>	\$42,574	\$4,074	27%
<b>Other Lien Holders</b>	\$1,791	\$ 926	7%
<b>Net to Patient</b>	\$5,000	\$5,000	33%
<b>Total</b>	\$54,365	\$15,000	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to LAC+ USC Medical Center.

**DATA FOR COMPROMISE SETTLEMENT**

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2  
DATE: September 26, 2002

<b>Amount of Aid</b>	\$68,744	<b>Account Number</b>	5900598
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$68,744	<b>Date of Service</b>	8/12/00-8/25/00
<b>Compromise Amount Offered</b>	\$14,000	<b>Facility</b>	LAC+ USC Medical Center
<b>Amount to be Written Off</b>	\$54,744		

**JUSTIFICATION**

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at LAC+ USC Medical Center and incurred total charges of \$68,744 for medical services rendered.

The patient's third-party claim has been settled for \$55,000 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
<b>Attorney fees</b>	\$22,000	\$18,334	33%
<b>Atty's Itemized cost</b>	\$1,259	\$1,259	2%
<b>LAC+ USC Medical Center</b>	\$68,744	\$14,000	26%
<b>Other Lien Holders</b>	\$3,615	\$3,615	7%
<b>Net to Patient</b>	\$17,792	\$17,792	32%
<b>Total</b>	\$113,410	\$55,000	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to LAC+ USC Medical Center.

**DATA FOR COMPROMISE SETTLEMENT**

**COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES**

**TRANSMITTAL No. 3  
DATE: September 26, 2002**

<b>Charges for Aid</b>	\$90,223	<b>Account Number</b>	4498614
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$90,223	<b>Date of Service</b>	11/30/01 - 12/07/01
<b>Compromise Amount Offered</b>	\$30,000	<b>Facility</b>	Harbor-UCLA Medical Center
<b>Amount to be Written Off</b>	\$60,223		

**JUSTIFICATION**

The patients' Health Maintenance Organization is offering to pay the maximum amount payable to any provider for the services rendered to their member.

**DATA FOR COMPROMISE SETTLEMENT**

**COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES**

**TRANSMITTAL No. 4  
DATE: September 26, 2002**

<b>Charges for Aid</b>	\$422,466	<b>Account Number</b>	4344247
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$422,466	<b>Date of Service</b>	10/10/01 - 11/08/01
<b>Compromise Amount Offered</b>	\$220,000	<b>Facility</b>	Harbor-UCLA Medical Center
<b>Amount to be Written Off</b>	\$202,466		

**JUSTIFICATION**

The patients' Health Maintenance Organization is offering to pay the maximum amount payable to any provider for the services rendered to their member.