

February 20, 2003

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:**

Authorize acceptance of the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts for patients who received medical care at a County facility:

- (1) Account Number-6569770, in the amount of \$ 8,583
- (2) Account Number-4502430, in the amount of \$350,697
- (3) Account Number-4709202, in the amount of \$170,000
- (4) Account Number-7246480, in the amount of \$ 78,000
- (5) Account Number-6959885, in the amount of \$357,300

**PURPOSE OF THE RECOMMENDED ACTION:**

The compromise offer of settlement for patient account (1) is recommended because the patient is unable to pay the full amount of charges. The compromise offers of settlement for patient accounts (2) through (5) are recommended because the amount is the maximum allowable by the patients' insurance (Commercial or HMO) for the services rendered.

**JUSTIFICATION:**

The best interests of the County would be served by the approval of these compromises since it will enable DHS to maximize net revenue on these accounts.

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**FISCAL IMPACT:**

For patient account (1) the County will recover partial payment from proceeds due to the patient from a third-party liability settlement against debt, otherwise uncollectible, because of the limited financial resources of the individual responsible for payment of the medical care. For patient accounts (2) through (5) the County will recover partial payment from the patients' insurance (Commercial or HMO) 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.

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

**CONTRACTING PROCESS:**

Not applicable.

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

Maximizing net revenues on these accounts will help DHS toward meeting its budgeted insurance revenue amounts.

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 (R:\LMARTINEZ\Compromise Brd LtrFeb03\CompromiseFeb2003.WPD)

Attachments

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