



LOS ANGELES FIRE DEPARTMENT

KRISTIN M. CROWLEY
FIRE CHIEF

June 1, 2023

BOARD OF FIRE COMMISSIONERS
FILE NO. 23-061

TO: Board of Fire Commissioners

FROM:  Kristin M. Crowley, Fire Chief

SUBJECT: WRITE-OFF OF UNCOLLECTIBLE LOS ANGELES FIRE DEPARTMENT EMERGENCY AMBULANCE SERVICE CHARGES EACH VALUED LESS THAN \$5,000 FOR FISCAL YEARS 2017-18 TO 2022-23 (FROM OCTOBER 2017 THROUGH JULY 2022)

FINAL ACTION:	<input type="checkbox"/> Approved	<input type="checkbox"/> Approved w/Corrections	<input type="checkbox"/> Withdrawn
	<input type="checkbox"/> Denied	<input type="checkbox"/> Received & Filed	<input type="checkbox"/> Other

SUMMARY

Los Angeles Municipal Code Section 11.04 (Ch. 1, Art. 1) provides that any Board, Commission, or Head of a Department may prepare a report setting forth findings regarding the status of unpaid accounts. This report may then be submitted to the Collections Board of Review for appropriate actions. Submitted for this write-off request are 32,297 uncollected emergency ambulance service accounts for Fiscal Years 2017-18 to 2022-23 (October 2017 through July 2022) from the Advanced Data Processing, Inc., Emergency Medical Services billing and collection system. Each account is valued less than \$5,000; the total for 32,297 accounts amounts to \$62,695,091.75.

The 32,297 accounts for \$62,695,091.75 referred for collection to the City's contractor, Harris & Harris, Ltd., were subsequently deemed to be uncollectible and were returned to the Los Angeles Fire Department (Department) between October 2017 and July 2022.

In line with Citywide Collection Guidelines, the staff of Accounting Services determined that the attached summary reports of unpaid accounts amounting to \$62,695,091.75 should be written off.

RECOMMENDATIONS

That the Board:

1. Authorize the Fire Chief to refer to the Collections Board of Review all pertinent documentation regarding \$62,695,091.75 in uncollectible emergency ambulance service accounts, each valued less than \$5,000, for Fiscal Years 2017-18 to 2022-23 (October 2017 through July 2022) for write-off authority.

2. Forward the attached letter and summary reports to the Collections Board of Review for consideration and approval.

FISCAL IMPACT

With the removal of these uncollectible accounts from the Department's outstanding balance, the Department's resources are more efficiently utilized on more recent outstanding accounts. The removal of these unpaid accounts from the current Ambulance Billing System shall not preclude the City from collecting any sum that later proves to be collectible. Writing off these accounts would be consistent with Generally Accepted Accounting Principles. This is also consistent with existing City policy to reflect the accurate status of accounts in the City's financial statements so as not to overstate the revenue.

Board report prepared by Mario Pasaporte II, Departmental Chief Accountant, Administrative Services Bureau.

Attachments

- Attachment 1, Letter to Shane Min, Chair, Collections Board of Review, Office of the Controller
- Attachment 2, Summary Report by Month of Unpaid Accounts
- Attachment 3, Summary Report by Primary Financial Class

**BOARD OF FIRE
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June 1, 2023

Shane Min, Chair
Collections Board of Review
Office of the Controller
Room 300, City Hall East
200 North Main Street
Los Angeles, CA 90012

Dear Mr. Min:

**Write-Off of Uncollectible Los Angeles Fire Department
Emergency Ambulance Service Charges Each Valued Less Than \$5,000
for Fiscal Years 2017-18 to 2022-23 (From October 2017 through July 2022)**

Los Angeles Administrative Code, Chapter 10, Article 4, Section 22.210.2, provides that the Fire Chief of the Los Angeles Fire Department (LAFD) shall review the status of unpaid ambulance accounts to determine whether they are collectible. He shall refer those accounts determined to be uncollectible to the Collections Board of Review in accordance with the Los Angeles Municipal Code, Article 1, Section 11.04, for appropriate action. The write-off of these unpaid accounts shall not preclude the City from collecting any sum that later proves to be collectible.

Since Fiscal Year 2010-11, Advanced Data Processing, Inc. (ADPI) has been providing ambulance billing and collection services for the LAFD from a field data capture system. The billing process includes creation of the electronic patient care record and validation of patient/payer/insurance information through improved hospital relationships and technology. When the insurance or payer information is not received, at least three patient invoices and notices are sent out within 90 days from initial patient billing. Pursuant to Section 5.181 of the Los Angeles Administrative Code, unpaid accounts aged over 120 days from the date of initial billing are referred for additional collection efforts to the City's contracted collection agency, Harris and Harris, Ltd.

Submitted for this write-off request are 32,297 accounts each valued less than \$5,000 for a total of \$62,695,091.75. These accounts were billed October 2017 to July 2022, referred to Harris and Harris collection agency, and returned to the LAFD in April 2022 and between September 2022 and February 2023 as uncollectible.

Shane Min, Chair, Collections Board of Review

June 1, 2023

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It is recommended that the Collections Board of Review approve the write-off of \$62,695,091.75 from 32,297 uncollected ambulance service accounts for Fiscal Years 2017-18 to 2022-23 (October 2017 to July 2022), each valued less than \$5,000.

1. Los Angeles Administrative Code, Chapter 10, Article 4, Section 22.210.2, provides that the Fire Chief of the LAFD shall review the status of unpaid ambulance accounts to determine whether they are collectible. He shall refer those accounts determined to be uncollectible to the Collections Board of Review in accordance with Section 5.182 of the Los Angeles Administrative Code for appropriate action.
2. The LAFD performs exhaustive research to ensure that the patient and insurance information are accurate and complete. A patient receives at least three billing notices for each account with an outstanding balance. Pursuant to Los Angeles Administrative Code Section 5.181, accounts that are deemed to be delinquent and uncollectible must be referred for additional collection efforts to the City's contracted collection agencies for up to nine months. For Harris and Harris collection agency, accounts are referred for up to one year. For Fiscal Years 2017-18 to 2022-23, 32,297 accounts referred to Harris and Harris, Ltd. for additional collection efforts were returned to the LAFD as uncollectible in April 2022 and between September 2022 and February 2023. These uncollectible accounts are each valued less than \$5,000. The LAFD's resources are more efficiently utilized on more recent outstanding accounts.
3. Writing off these accounts would be consistent with Generally Accepted Accounting Principles. This is also consistent with existing City policy to reflect the accurate status of accounts in the City's financial statements and not overstate revenue.
4. The following write-off criteria per Citywide Collection Guidelines have been met:
 - a. The amounts are uncollectible;
 - b. The write-off will not prejudice the position of the City;
 - c. All reasonable collection efforts have been exhausted;
 - d. The debtor cannot be located or due to difficult to collect reasons; and
 - e. The applicable statute of limitations for 1,268 accounts for collection of debt has expired. The write-off of all unpaid accounts from the current ADPI Emergency Medical Services System shall not preclude the City from collecting any sum that later proves to be collectible.

If you require additional information, please contact Mario Pasaporte II, Departmental Chief Accountant, Administrative Services Bureau, at (213) 574-6963.

Sincerely,



KRISTIN M. CROWLEY
Fire Chief

Attachments

Los Angeles Fire Department
 Emergency Ambulance Services (Dept Revenue Source 4091) - ADPI / R1 / Digitech

Run date:
 08-May-23

All accounts in this report are less than \$5000

Write off of accounts returned from H&H as uncollectible

Fiscal Year and Month Summary (Account Created Date)

Returned April, 2022 and from September, 2022 to February, 2023

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Fiscal Year - Month Year	Number of Accounts	Gross Charges	Payments	Adjustments	Balance
FY 2018 - Oct 2017	1	1,566.00	-	-	1,566.00
FY 2018 - Nov 2017	2	3,018.00	-	-	3,018.00
FY 2018 - Apr 2018	1	1,525.00	497.53	992.47	35.00
FY 2019 - Jul 2018	2	3,037.00	408.62	1,034.14	1,594.24
FY 2019 - Dec 2018	2	2,520.00	1,447.96	-	1,072.04
FY 2019 - Feb 2019	2	2,961.00	892.49	1,959.87	108.64
FY 2019 - Mar 2019	2	2,729.00	1,187.97	1,022.38	518.65
FY 2019 - Apr 2019	2	2,615.00	656.84	1,650.01	308.15
FY 2019 - May 2019	3	4,527.00	-	-	4,527.00
FY 2019 - Jun 2019	3	3,242.00	244.35	642.65	2,355.00
FY 2020 - Jul 2019	5	7,488.00	2,860.41	2,007.53	2,620.06
FY 2020 - Aug 2019	3	3,797.00	2,687.00	814.84	295.16
FY 2020 - Sep 2019	4	5,709.00	4,463.10	718.62	527.28
FY 2020 - Oct 2019	6	8,362.00	1,272.94	995.32	6,093.74
FY 2020 - Nov 2019	10	14,246.00	6,228.67	1,187.33	6,830.00
FY 2020 - Dec 2019	11	14,489.00	4,664.37	749.93	9,074.70
FY 2020 - Jan 2020	1,191	1,679,318.00	7,629.65	7,328.73	1,664,359.62
FY 2020 - Feb 2020	18	26,447.00	6,390.65	7,794.04	12,262.31
FY 2020 - Mar 2020	23	31,502.00	3,499.55	11,689.99	16,312.46
FY 2020 - Apr 2020	14	20,358.00	4,846.79	5,745.75	9,765.46
FY 2020 - May 2020	32	44,851.00	10,600.23	16,169.34	18,081.43
FY 2020 - Jun 2020	53	74,198.00	23,185.86	20,566.63	30,445.51
FY 2021 - Jul 2020	73	100,116.00	24,857.69	30,088.61	45,169.70
FY 2021 - Aug 2020	116	161,064.00	53,392.81	46,770.11	60,901.08
FY 2021 - Sep 2020	228	317,544.00	80,517.12	112,850.87	124,176.01
FY 2021 - Oct 2020	310	431,857.00	119,284.25	165,112.66	147,460.09
FY 2021 - Nov 2020	376	525,985.00	136,691.70	226,928.84	162,364.46
FY 2021 - Dec 2020	657	943,777.00	253,573.49	391,983.67	298,219.84
FY 2021 - Jan 2021	953	1,720,953.00	502,635.63	748,216.65	470,100.72
FY 2021 - Feb 2021	1,500	3,476,350.00	594,634.54	1,128,092.63	1,753,522.83
FY 2021 - Mar 2021	2,786	6,577,083.00	607,811.50	1,091,946.91	4,877,324.59
FY 2021 - Apr 2021	4,462	10,562,696.00	583,484.28	923,692.77	9,055,518.95
FY 2021 - May 2021	5,124	12,090,698.00	495,366.50	841,294.49	10,754,037.01
FY 2021 - Jun 2021	4,443	10,533,893.00	255,289.56	409,441.88	9,869,161.56
FY 2022 - Jul 2021	4,608	10,909,720.00	36,391.85	24,198.25	10,849,129.90
FY 2022 - Aug 2021	3,289	7,785,553.00	11,167.95	12,394.35	7,761,990.70
FY 2022 - Sep 2021	1,968	4,670,436.00	4,427.83	4,190.99	4,661,817.18
FY 2022 - Oct 2021	1	2,563.00	2,463.00	(100.00)	100.00
FY 2022 - Nov 2021	1	2,583.00	438.70	1,924.94	109.68
FY 2022 - Dec 2021	3	5,401.00	1,727.00	-	3,674.00
FY 2022 - Jan 2022	2	4,330.00	588.42	1,734.58	2,007.00
FY 2022 - Feb 2022	2	4,350.00	2,016.50	1,983.50	350.00
FY 2022 - May 2022	1	1,807.00	1,557.00	-	250.00
FY 2022 - Jun 2022	2	3,824.00	1,852.00	-	1,972.00
FY 2023 - Jul 2022	2	3,964.00	-	-	3,964.00
Grand Total	32,297	72,795,052.00	3,853,834.30	6,245,816.27	62,695,091.75

FY 2018	4	6,109.00	497.53	992.47	4,619.00
FY 2019	16	21,631.00	4,838.23	6,309.05	10,483.72
FY 2020	1,370	1,930,765.00	78,329.22	75,768.05	1,776,667.73
FY 2021	21,028	47,442,016.00	3,707,539.07	6,116,420.09	37,617,956.84
FY 2022	9,877	23,390,567.00	62,630.25	46,326.61	23,281,400.46
FY 2023	2	3,964.00	-	-	3,964.00
Grand Total	32,297	72,795,052.00	3,853,834.30	6,245,816.27	62,695,091.75

Los Angeles Fire Department
 Emergency Ambulance Services (Dept Revenue Source 4091) - ADPI / R1 / Digitech

Run date:
 08-May-23

All accounts in this report are less than \$5000
 Write off of accounts returned from H&H as uncollectible
 Summary by Primary Financial Class Type
 Returned April, 2022 and from September, 2022 to February, 2023

REASON CODE COMMENTS	Number of Accounts	Gross Charges	Payments	Adjustments	Balance	%
Commercial	2,020	4,212,004.00	2,262,011.00	39,025.21	1,910,767.79	3.05%
Contract	5	7,201.00	383.87	1,345.93	5,471.20	0.01%
Medicaid	121	280,248.00	853.32	3,140.25	276,254.43	0.44%
Medicare	4,402	8,859,868.00	1,546,613.14	6,201,508.26	1,111,636.92	1.77%
Self Pay	25,749	59,435,731.00	43,972.97	796.62	59,390,961.41	94.73%
Grand Total	32,297	72,795,052.00	3,853,834.30	6,245,816.27	62,695,091.75	100.00%

Type of Financial Class:

- Commercial: The primary account payers are commercial insurance organizations such as health insurance company, auto insurance company, workers compensation insurance company.
- Medicaid: The primary payer of the account is state or local managed social healthcare programs for families and individuals with low income and resources.
 Examples are Medicaid, Medicaid managed care program, Healthy Families Program, Healthy Way LA.
- Medicare: The primary payer of the account is federal health insurance programs, such as Medicare, Tricare, Railroad Medicare, and Medicare Health Plans.
- Contract: The primary payer of the account is Veterans Health Administration.
- Self Pay: The primary account payers are the patients or individuals other than Medicare, Medicaid, Contract and Commercial.

Los Angeles Fire Department

Emergency Ambulance Services (Dept Revenue Source 4091) - ADPI / R1 / Digitech

All accounts in this report are less than \$5000

Write off of accounts returned from H&H as uncollectible

Summary by Fiscal Year and Primary Financial Class Type

Returned April, 2022 and from September, 2022 to February, 2023

Run date:

08-May-23

FY	Primary Insurance Type	Number of Accounts	Gross Charges	Payments	Adjustments	Balance	%
2018	Commercial	1	1,528.00	-	-	1,528.00	0.00%
	Medicare	2	3,091.00	497.53	992.47	1,601.00	0.00%
	Self Pay	1	1,490.00	-	-	1,490.00	0.00%
	Total	4	6,109.00	497.53	992.47	4,619.00	0.01%
2019	Commercial	3	3,626.00	2,185.31	-	1,440.69	0.00%
	Medicare	12	16,956.00	2,652.92	6,309.05	7,994.03	0.01%
	Self Pay	1	1,049.00	-	-	1,049.00	0.00%
	Total	16	21,631.00	4,838.23	6,309.05	10,483.72	0.02%
2020	Commercial	56	80,010.00	37,691.37	2,386.46	39,932.17	0.06%
	Contract	3	3,607.00	-	-	3,607.00	0.01%
	Medicare	109	152,231.00	29,856.74	73,246.01	49,128.25	0.08%
	Self Pay	1,202	1,694,917.00	10,781.11	135.58	1,684,000.31	2.69%
	Total	1,370	1,930,765.00	78,329.22	75,768.05	1,776,667.73	2.83%
2021	Commercial	1,890	3,965,944.00	2,172,594.01	36,670.84	1,756,579.15	2.80%
	Contract	2	3,594.00	383.87	1,345.93	1,864.20	0.00%
	Medicaid	119	275,858.00	594.31	858.69	274,405.00	0.44%
	Medicare	4,225	8,557,653.00	1,505,050.36	6,077,017.75	975,584.89	1.56%
	Self Pay	14,792	34,638,967.00	28,916.52	526.88	34,609,523.60	55.20%
	Total	21,028	47,442,016.00	3,707,539.07	6,116,420.09	37,617,956.84	60.00%
2022	Commercial	70	160,896.00	49,540.31	(32.09)	111,287.78	0.18%
	Medicaid	2	4,390.00	259.01	2,281.56	1,849.43	0.00%
	Medicare	54	129,937.00	8,555.59	43,942.98	77,328.75	0.12%
	Self Pay	9,751	23,095,344.00	4,275.34	134.16	23,090,934.50	36.83%
	Total	9,877	23,390,567.00	62,630.25	46,326.61	23,281,400.46	37.13%
2023	Self Pay	2	3,964.00	-	-	3,964.00	0.01%
	Total	2	3,964.00	-	-	3,964.00	0.01%
Grand Total		32,297	72,795,052.00	3,853,834.30	6,245,816.27	62,695,091.75	100.00%

Los Angeles Fire Department
 Emergency Ambulance Services (Dept Revenue Source 4091) - ADPI / R1 / Digitech
 All accounts in this report are less than \$5000
 Write off of accounts returned from H&H as uncollectible
 Summary by Reason Code
 Returned April, 2022 and from September, 2022 to February, 2023

Run date:
 08-May-23

REASON CODE COMMENTS	Number of Accounts	Gross Charges	Payments	Adjustments	Balance	%
RCN - Routine Cancellation	28,527	64,321,509.00	3,423,480.08	5,454,620.62	55,443,208.30	88.43%
UNC - Uncollectible	3,770	8,473,543.00	430,354.22	791,195.65	7,251,883.45	11.57%
Grand Total	32,297	72,795,052.00	3,853,834.30	6,245,816.27	62,695,091.75	100.00%

RETURN REASON CODES - DESCRIPTION / COLLECTION EFFORT

RCN - Routine Cancellation: Accounts will be closed and returned at 365 days (One Year) per contract and will be coded as RCN.
 UNC - Uncollectible SKIP/cannot locate: Bad Address, mail return unable to locate new address via skip vendors and or no previous contact.
 - Out of Statute for Collection