

**LOS ANGELES FIRE DEPARTMENT**



**KRISTIN M. CROWLEY**  
FIRE CHIEF

February 26, 2024

BOARD OF FIRE COMMISSIONERS  
FILE NO. 24-028

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 FEBRUARY 2018 THROUGH AUGUST 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 Withdrawn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 67,883 uncollected emergency ambulance service accounts for Fiscal Years 2017-18 to 2022-23 (February 2018 through August 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 67,883 accounts amounts to \$127,809,365.10.

The 67,883 accounts for \$127,809,365.10 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 March 2023 and February 2024.

In line with Citywide Collection Guidelines, the staff of Accounting Services determined that the attached summary reports of unpaid accounts amounting to \$127,809,365.10 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 \$127,809,365.10 in uncollectible emergency ambulance

service accounts, each valued less than \$5,000, for Fiscal Years 2017-18 to 2022-23 (February 2018 through August 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
- Attachment 4, Summary Report by Year of Unpaid Accounts
- Attachment 5, Summary Report by Reason Code

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February 21, 2024

Shane Min, Chair  
Collections Board of Review  
Office of the Controller  
200 North Main Street, Room 300  
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 February 2018 through August 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. The Fire Chief 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 120 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 67,883 accounts each valued less than \$5,000 for a total of \$127,809,365.10. These accounts were billed February 2018 to August 2022, referred to Harris and Harris collection agency, and returned to the LAFD between March 2023 and February 2024 as uncollectible.

It is recommended that the Collections Board of Review approve the write-off of \$127,809,365.10 from 67,883 uncollected ambulance service accounts for Fiscal Years 2017-18 to 2022-23 (February 2018 to August 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. The Fire Chief 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, 67,883 accounts referred to Harris and Harris, Ltd. for additional collection efforts were returned to the LAFD as uncollectible between March 2023 and February 2024. 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 1,565 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

Run date:

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

08-Feb-24

All accounts in this report are less than \$ 5,000.00

Write off of accounts returned from H&H as uncollectible

Summary Report by Month of Unpaid Accounts (Fiscal Year and Month - Account Created Date)

Returned from March, 2023 to February, 2024

1,565

1,540,949

Fiscal Year - Month Year	Number of Accounts	Gross Charges	Payments	Adjustments	Balance
FY 2018 - Feb 2018	1	1,471.00	-	-	1,471.00
FY 2018 - Mar 2018	1	1,144.00	-	715.80	428.20
FY 2019 - Jan 2019	1	1,585.00	-	1,561.96	23.04
FY 2019 - Feb 2019	1	1,509.00	-	-	1,509.00
FY 2019 - Apr 2019	1	1,049.00	-	-	1,049.00
FY 2019 - May 2019	45	60,438.00	4,842.40	2,540.87	53,054.73
FY 2019 - Jun 2019	59	80,485.00	8,383.93	7,571.12	64,529.95
FY 2020 - Jul 2019	44	61,035.00	7,000.85	3,517.25	50,516.90
FY 2020 - Aug 2019	42	58,219.00	9,418.15	7,442.53	41,358.32
FY 2020 - Sep 2019	49	69,082.00	7,046.59	6,651.44	55,383.97
FY 2020 - Oct 2019	58	82,237.00	5,646.02	6,858.02	69,732.96
FY 2020 - Nov 2019	44	63,906.00	8,937.27	9,544.64	45,424.09
FY 2020 - Dec 2019	53	74,335.00	10,938.75	10,195.67	53,200.58
FY 2020 - Jan 2020	64	88,242.00	17,647.77	12,326.67	58,267.56
FY 2020 - Feb 2020	73	104,287.00	13,503.20	5,384.19	85,399.61
FY 2020 - Mar 2020	64	90,652.00	11,228.46	8,476.23	70,947.31
FY 2020 - Apr 2020	48	67,584.00	13,163.52	9,164.33	45,256.15
FY 2020 - May 2020	53	71,742.00	12,967.55	7,469.34	51,305.11
FY 2020 - Jun 2020	55	80,755.00	13,987.52	16,295.93	50,471.55
FY 2021 - Jul 2020	61	84,840.00	13,697.21	9,901.55	61,241.24
FY 2021 - Aug 2020	75	109,494.00	18,277.41	25,235.71	65,980.88
FY 2021 - Sep 2020	72	100,291.00	18,870.80	17,945.95	63,474.25
FY 2021 - Oct 2020	89	124,480.00	29,967.38	21,046.82	73,465.80
FY 2021 - Nov 2020	97	133,705.00	37,557.50	30,083.61	66,063.89
FY 2021 - Dec 2020	113	157,103.00	43,873.44	27,723.59	85,505.97
FY 2021 - Jan 2021	143	260,547.00	76,539.81	53,081.99	130,925.20
FY 2021 - Feb 2021	159	372,335.00	93,136.55	84,235.85	194,962.60
FY 2021 - Mar 2021	266	619,273.00	173,757.26	137,179.58	308,336.16
FY 2021 - Apr 2021	424	982,488.00	316,888.54	259,874.96	405,724.50
FY 2021 - May 2021	639	1,497,109.00	548,777.54	419,411.55	528,919.91
FY 2021 - Jun 2021	993	2,335,528.00	913,015.89	639,177.08	783,335.03
FY 2022 - Jul 2021	1,507	3,539,762.00	1,459,703.14	934,212.43	1,145,846.43
FY 2022 - Aug 2021	3,210	7,575,139.00	1,520,350.68	985,710.00	5,069,078.32
FY 2022 - Sep 2021	3,801	8,940,292.00	1,438,647.94	965,745.13	6,535,898.93
FY 2022 - Oct 2021	6,086	14,378,101.00	1,498,021.56	989,027.24	11,891,052.20
FY 2022 - Nov 2021	5,855	13,749,066.00	1,437,793.02	894,834.93	11,416,438.05
FY 2022 - Dec 2021	5,240	12,058,279.00	1,439,876.08	927,434.24	9,690,968.68
FY 2022 - Jan 2022	5,602	12,995,822.00	1,524,059.31	918,783.07	10,552,979.62
FY 2022 - Feb 2022	4,773	11,044,609.00	938,621.67	776,395.53	9,329,591.80
FY 2022 - Mar 2022	5,139	11,604,357.00	805,088.89	747,121.19	10,052,146.92
FY 2022 - Apr 2022	4,684	10,617,886.00	599,845.84	616,753.15	9,401,287.01
FY 2022 - May 2022	4,991	11,288,031.00	493,036.63	595,395.42	10,199,598.95
FY 2022 - Jun 2022	4,944	11,721,378.00	478,202.35	435,182.21	10,807,993.44
FY 2023 - Jul 2022	5,260	12,140,191.00	307,807.54	239,726.25	11,592,657.21
FY 2023 - Aug 2022	2,904	6,690,522.00	90,220.11	43,738.81	6,556,563.08
<b>Grand Total</b>	<b>67,883</b>	<b>156,180,385.00</b>	<b>16,460,346.07</b>	<b>11,910,673.83</b>	<b>127,809,365.10</b>

FY 2018	2	2,615.00	-	715.80	1,899.20
FY 2019	107	145,066.00	13,226.33	11,673.95	120,165.72
FY 2020	647	912,076.00	131,485.65	103,326.24	677,264.11
FY 2021	3,131	6,777,193.00	2,284,359.33	1,724,898.24	2,767,935.43
FY 2022	55,832	129,512,722.00	13,633,247.11	9,786,594.54	106,092,880.35
FY 2023	8,164	18,830,713.00	398,027.65	283,465.06	18,149,220.29
<b>Grand Total</b>	<b>67,883</b>	<b>156,180,385.00</b>	<b>16,460,346.07</b>	<b>11,910,673.83</b>	<b>127,809,365.10</b>

Los Angeles Fire Department  
 Emergency Ambulance Services (Dept Revenue Source 4091) - ADPI / R1 / Digitech  
 All accounts in this report are less than \$ 5,000.00  
 Write off of accounts returned from H&H as uncollectible  
 Summary by Primary Financial Class Type  
 Returned from March, 2023 to February, 2024

Run date:  
 08-Feb-24

REASON CODE COMMENTS	Number of Accounts	Gross Charges	Payments	Adjustments	Balance	%
Commercial	7,329	16,361,899.00	91,856.46	8,129,412.05	8,140,630.49	6.37%
Contract	19	33,760	982	404	32,373	0.03%
Medicaid	59	143,171	2,001	6,551	134,620	0.11%
Medicare	10,027	23,191,068	16,354,600	3,564,422	3,272,046	2.56%
Self Pay	50,449	116,450,487.00	10,906.84	209,884.86	116,229,695.30	90.94%
<b>Grand Total</b>	<b>67,883</b>	<b>156,180,385.00</b>	<b>16,460,346.07</b>	<b>11,910,673.83</b>	<b>127,809,365.10</b>	<b>100.00%</b>

**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

Run date:

08-Feb-24

All accounts in this report are less than \$ 5,000.00

Write off of accounts returned from H&H as uncollectible

Summary by Fiscal Year and Primary Financial Class Type

Returned from March, 2023 to February, 2024

FY	Primary Insurance Type	Number of Accounts	Gross Charges	Payments	Adjustments	Balance	%
2018	Commercial	1	1,471.00	-	-	1,471.00	0.00%
	Medicare	1	1,144.00	-	715.80	428.20	0.00%
	<b>Total</b>	<b>2</b>	<b>2,615.00</b>	<b>-</b>	<b>715.80</b>	<b>1,899.20</b>	<b>0.00%</b>
2019	Commercial	68	90,959.00	542.59	5,537.06	84,879.35	0.07%
	Medicare	37	51,514.00	12,683.74	6,136.89	32,693.37	0.03%
	Self Pay	2	2,593.00	-	-	2,593.00	0.00%
	<b>Total</b>	<b>107</b>	<b>145,066.00</b>	<b>13,226.33</b>	<b>11,673.95</b>	<b>120,165.72</b>	<b>0.09%</b>
2020	Commercial	391	548,561.00	3,685.84	48,184.06	496,691.10	0.39%
	Contract	10	15,147.00	982.38	404.45	13,760.17	0.01%
	Medicare	232	329,067.00	126,744.31	48,319.78	154,002.91	0.12%
	Self Pay	14	19,301.00	73.12	6,417.95	12,809.93	0.01%
	<b>Total</b>	<b>647</b>	<b>912,076.00</b>	<b>131,485.65</b>	<b>103,326.24</b>	<b>677,264.11</b>	<b>0.53%</b>
2021	Commercial	1,148	2,495,403.00	13,656.18	1,164,467.19	1,317,279.63	1.03%
	Contract	6	11,084.00	-	-	11,084.00	0.01%
	Medicaid	1	2,563.00	-	-	2,563.00	0.00%
	Medicare	1,703	3,678,303.00	2,271,097.06	543,120.49	864,085.45	0.68%
	Self Pay	273	589,840.00	(393.91)	17,310.56	572,923.35	0.45%
	<b>Total</b>	<b>3,131</b>	<b>6,777,193.00</b>	<b>2,284,359.33</b>	<b>1,724,898.24</b>	<b>2,767,935.43</b>	<b>2.17%</b>
2022	Commercial	5,576	12,884,269.00	72,200.99	6,714,356.88	6,097,711.13	4.77%
	Contract	3	7,529.00	-	-	7,529.00	0.01%
	Medicaid	41	97,675.00	-	5,441.00	92,234.00	0.07%
	Medicare	7,849	18,617,821.00	13,549,885.71	2,886,188.94	2,181,746.35	1.71%
	Self Pay	42,363	97,905,428.00	11,160.41	180,607.72	97,713,659.87	76.45%
	<b>Total</b>	<b>55,832</b>	<b>129,512,722.00</b>	<b>13,633,247.11</b>	<b>9,786,594.54</b>	<b>106,092,880.35</b>	<b>83.01%</b>
2023	Commercial	145	341,236.00	1,770.86	196,866.86	142,598.28	0.11%
	Medicaid	17	42,933.00	2,000.61	1,109.54	39,822.85	0.03%
	Medicare	205	513,219.00	394,188.96	79,940.03	39,090.01	0.03%
	Self Pay	7,797	17,933,325.00	67.22	5,548.63	17,927,709.15	14.03%
	<b>Total</b>	<b>8,164</b>	<b>18,830,713.00</b>	<b>398,027.65</b>	<b>283,465.06</b>	<b>18,149,220.29</b>	<b>14.20%</b>
<b>Grand Total</b>		<b>67,883</b>	<b>156,180,385.00</b>	<b>16,460,346.07</b>	<b>11,910,673.83</b>	<b>127,809,365.10</b>	<b>100.00%</b>

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

Run date:  
08-Feb-24

All accounts in this report are less than \$ 5,000.00  
Write off of accounts returned from H&H as uncollectible  
Summary by Reason Code  
Returned from March, 2023 to February, 2024

REASON CODE COMMENTS	Number of Accounts	Gross Charges	Payments	Adjustments	Balance	%
RCN - Routine Cancellation	67,883	156,180,385.00	16,460,346.07	11,910,673.83	127,809,365.10	100.00%
<b>Grand Total</b>	<b>67,883</b>	<b>156,180,385.00</b>	<b>16,460,346.07</b>	<b>11,910,673.83</b>	<b>127,809,365.10</b>	<b>100.00%</b>

**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.