



LOS ANGELES FIRE DEPARTMENT

KRISTIN M. CROWLEY
FIRE CHIEF

January 16, 2025

BOARD OF FIRE COMMISSIONERS
FILE NO. 25-007

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 SEPTEMBER 2017 THROUGH MAY 2023)

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 Withdrawn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 69,511 uncollected emergency ambulance service accounts for Fiscal Years 2017-18 to 2022-23 (September 2017 through May 2023) from the Advanced Data Processing, Inc., Emergency Medical Services billing and collection system. Each account is valued less than \$5,000; the total for 69,511 accounts amounts to \$131,470,432.45.

These accounts 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 2024 and December 2024.

In line with Citywide Collection Guidelines, the staff of Accounting Services determined that the attached summary reports of unpaid accounts amounting to \$131,470,432.45 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 \$131,470,432.45 in uncollectible emergency ambulance service accounts, each valued less than \$5,000, for Fiscal Years 2017-18 to 2022-23 (September 2017 through May 2023) 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 IV, 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
COMMISSIONERS**

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FIRE DEPARTMENT

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FIRE CHIEF

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January 10, 2025

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 September 2017 through May 2023)

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. She 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 69,511 accounts each valued less than \$5,000 for a total of \$131,470,432.45. These accounts were billed September 2017 to May 2023, referred to Harris and Harris collection agency, and returned to the LAFD between March 2024 and December 2024 as uncollectible.

It is recommended that the Collections Board of Review approve the write-off of these uncollected ambulance service accounts.

1. 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, 69,511 accounts referred to Harris and Harris, Ltd. for additional collection efforts were returned to the LAFD as uncollectible between March 2024 and December 2024. These uncollectible accounts are each valued less than \$5,000. The LAFD's resources are more efficiently utilized on more recent outstanding accounts.
2. 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.
3. 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 927 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 IV, 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:
 23-Dec-24

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 from March 01, 2024 to December 02, 2024

Fiscal Year - Month Year	Number of Accounts	Gross Charges	Payments	Adjustments	Balance
FY 2018 - Sep 2017	2	2,999.00	1,928.36	1,013.01	57.63
FY 2019 - Jul 2018	1	1,509.00	210.12	1,003.61	295.27
FY 2019 - Dec 2018	1	1,087.00	339.36	661.07	86.57
FY 2019 - Feb 2019	1	1,163.00	360.78	692.22	110.00
FY 2019 - Mar 2019	2	2,596.00	1,035.28	-	1,560.72
FY 2020 - Aug 2019	2	2,212.00	27.24	-	2,184.76
FY 2020 - Sep 2019	6	9,092.00	1,596.81	976.39	6,518.80
FY 2020 - Oct 2019	9	11,604.00	1,305.65	640.42	9,657.93
FY 2020 - Nov 2019	3	3,740.00	-	-	3,740.00
FY 2020 - Dec 2019	6	7,442.00	-	-	7,442.00
FY 2020 - Jan 2020	12	17,260.00	2,033.30	3,813.50	11,413.20
FY 2020 - Feb 2020	14	19,875.00	891.98	665.08	18,317.94
FY 2020 - Mar 2020	11	15,409.00	2,743.76	967.94	11,697.30
FY 2020 - Apr 2020	5	7,123.00	934.39	3,011.94	3,176.67
FY 2020 - May 2020	5	6,929.00	408.00	667.00	5,854.00
FY 2020 - Jun 2020	6	7,902.00	814.04	2,010.96	5,077.00
FY 2021 - Jul 2020	13	18,773.00	1,511.39	663.96	16,597.65
FY 2021 - Aug 2020	11	16,713.00	2,376.09	962.98	13,373.93
FY 2021 - Sep 2020	9	12,718.00	1,372.06	3,583.24	7,762.70
FY 2021 - Oct 2020	8	11,498.00	(300.08)	2,575.48	9,222.60
FY 2021 - Nov 2020	8	12,205.00	2,244.61	5,757.41	4,202.98
FY 2021 - Dec 2020	13	19,689.00	1,920.73	5,740.27	12,028.00
FY 2021 - Jan 2021	13	20,562.00	2,719.85	5,575.15	12,267.00
FY 2021 - Feb 2021	9	19,855.00	4,022.12	6,424.24	9,408.64
FY 2021 - Mar 2021	19	43,801.00	6,938.23	9,335.29	27,527.48
FY 2021 - Apr 2021	18	42,094.00	10,842.64	9,361.41	21,889.95
FY 2021 - May 2021	30	70,838.00	19,718.49	18,513.13	32,606.38
FY 2021 - Jun 2021	21	48,431.00	3,712.26	15,437.58	29,281.16
FY 2022 - Jul 2021	45	104,571.00	20,427.61	27,100.45	57,042.94
FY 2022 - Aug 2021	59	134,861.00	26,282.19	38,719.11	69,859.70
FY 2022 - Sep 2021	83	191,928.00	24,025.56	66,681.37	101,221.07
FY 2022 - Oct 2021	113	264,943.00	49,027.08	104,054.96	111,860.96
FY 2022 - Nov 2021	153	343,465.00	75,208.50	144,617.20	123,639.30
FY 2022 - Dec 2021	216	501,776.00	84,337.95	258,908.54	158,529.51
FY 2022 - Jan 2022	449	1,048,240.00	194,158.13	615,011.17	239,070.70
FY 2022 - Feb 2022	465	1,096,807.00	198,039.99	629,808.04	268,958.97
FY 2022 - Mar 2022	690	1,586,538.00	321,135.67	909,208.04	356,194.29
FY 2022 - Apr 2022	711	1,654,503.00	285,598.65	845,948.67	522,955.68
FY 2022 - May 2022	810	1,882,962.00	323,283.62	928,195.72	631,482.66
FY 2022 - Jun 2022	854	2,080,063.00	428,511.11	913,751.90	737,799.99
FY 2023 - Jul 2022	1,688	4,024,520.00	680,591.63	1,186,514.61	2,157,413.76
FY 2023 - Aug 2022	4,106	9,709,745.00	906,651.83	1,389,217.19	7,413,875.98
FY 2023 - Sep 2022	6,366	15,014,349.00	841,479.21	1,312,070.58	12,860,799.21
FY 2023 - Oct 2022	6,068	14,266,498.00	849,345.38	1,270,015.94	12,147,136.68
FY 2023 - Nov 2022	6,033	14,179,144.00	872,306.51	1,369,143.43	11,937,694.06
FY 2023 - Dec 2022	6,550	15,423,242.00	862,066.33	1,613,052.29	12,948,123.38
FY 2023 - Jan 2023	6,360	14,911,807.00	914,349.77	1,485,532.61	12,511,924.62
FY 2023 - Feb 2023	5,994	14,078,283.00	852,705.50	1,286,580.60	11,938,996.90
FY 2023 - Mar 2023	6,370	14,212,891.00	797,426.23	1,176,032.27	12,239,432.50
FY 2023 - May 2023	5,623	12,929,286.00	396,406.90	701,104.15	11,831,774.95
Grand Total	69,511	161,516,605.00	10,670,056.31	19,376,116.24	131,470,432.45

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
 Fiscal Year and Month Summary (Account Created Date)
 Returned from March 01, 2024 to December 02, 2024

Run date:
 23-Dec-24

Fiscal Year - Month Year	Number of Accounts	Gross Charges	Payments	Adjustments	Balance
FY 2017	1	1,509.00	296.92	1,012.08	200.00
FY 2018	2	2,999.00	1,928.36	1,013.01	57.63
FY 2019	8	10,095.00	4,205.16	3,647.12	2,242.72
FY 2020	79	108,588.00	10,755.17	12,753.23	85,079.60
FY 2021	172	337,177.00	57,078.39	83,930.14	196,168.47
FY 2022	4,648	10,890,657.00	2,030,036.06	5,482,005.17	3,378,615.77
FY 2023	64,296	149,427,697.00	8,565,216.28	13,789,700.46	127,072,780.26
FY 2024	305	737,883.00	539.97	2,055.03	735,288.00
Grand Total	69,511	161,516,605.00	10,670,056.31	19,376,116.24	131,470,432.45

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

Run date:
 23-Dec-24

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 from March 01, 2024 to December 02, 2024

REASON CODE COMMENTS	Number of Accounts	Gross Charges	Payments	Adjustments	Balance	%
Commercial	4,966	11,951,370.00	6,496,083.17	134,329.41	5,320,957.42	4.05%
Contract	14	35,352.28	1,874.29	31,601.72	31,602.71	0.02%
Medicaid	28	60,108.00	-	60,128.00	60,118.00	0.05%
Medicare	10,662	26,106,401.00	4,128,911.06	19,225,975.43	2,751,514.51	2.09%
Self Pay	53,841	123,365,239.00	43,196.80	15,802.39	123,306,239.81	93.79%
Grand Total	69,511	161,518,470.28	10,670,065.32	19,467,836.95	131,470,432.45	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 from March 01, 2024 to December 02, 2024

Run date:
 23-Dec-24

FY	Primary Insurance Type	Number of Accounts	Gross Charges	Payments	Adjustments	Balance	%
2018	Medicare	1	1,509.00	296.92	1,012.08	200.00	0.00%
	Total	1	1,509.00	296.92	1,012.08	200.00	0.00%
	Commercial	1	1,490.00	1,442.20	-	47.80	0.00%
2019	Medicare	1	1,509.00	486.16	1,013.01	9.83	0.00%
	Total	2	2,999.00	1,928.36	1,013.01	57.63	0.00%
	Commercial	3	4,143.00	2,512.05	-	1,630.95	0.00%
2020	Medicare	5	5,952.00	1,693.11	3,647.12	611.77	0.00%
	Total	8	10,095.00	4,205.16	3,647.12	2,242.72	0.00%
	Commercial	16	22,722.00	6,254.60	-	16,467.40	0.01%
2021	Medicare	61	83,327.00	4,500.57	12,734.23	66,092.20	0.05%
	Self Pay	2	2,539.00	-	19.00	2,520.00	0.00%
	Total	79	108,588.00	10,755.17	12,753.23	85,079.60	0.06%
2022	Commercial	59	122,701.00	31,014.96	1,053.23	90,632.81	0.07%
	Contract	1	1,509.00	-	-	1,509.00	0.00%
	Medicare	104	197,458.00	25,301.09	82,876.91	89,280.00	0.07%
2023	Self Pay	8	15,509.00	762.34	-	14,746.66	0.01%
	Total	172	337,177.00	57,078.39	83,930.14	196,168.47	0.15%
	Commercial	1,003	2,303,073.00	842,786.89	58,806.48	1,401,479.63	1.07%
2024	Contract	4	10,092.00	-	-	10,092.00	0.01%
	Medicaid	1	2,523.00	(10.00)	10.00	2,523.00	0.00%
	Medicare	3,209	7,571,894.00	1,182,410.17	5,421,033.64	968,450.19	0.74%
Grand Total	Self Pay	431	1,003,075.00	4,849.00	2,155.05	996,070.95	0.76%
	Total	4,648	10,890,657.00	2,030,036.06	5,482,005.17	3,378,615.77	2.57%
	Commercial	3,884	9,497,241.00	5,612,072.47	74,469.70	3,810,698.83	2.90%
Grand Total	Contract	9	21,876.00	1,875.28	(0.99)	20,001.71	0.02%
	Medicaid	27	57,595.00	-	-	57,595.00	0.04%
	Medicare	7,280	18,242,107.00	2,913,683.07	13,701,603.41	1,626,820.52	1.24%
Grand Total	Self Pay	53,096	121,608,878.00	37,585.46	13,628.34	121,557,664.20	92.46%
	Total	64,296	149,427,697.00	8,565,216.28	13,789,700.46	127,072,780.26	96.66%
	Medicare	1	2,645.00	539.97	2,055.03	50.00	0.00%
Grand Total	Self Pay	304	735,238.00	-	-	735,238.00	0.56%
	Total	305	737,883.00	539.97	2,055.03	735,288.00	0.56%
	Grand Total	69,511	161,516,605.00	10,670,056.31	19,376,116.24	131,470,432.45	100.00%

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

Run date:
 23-Dec-24

All accounts in this report are less than \$5000
 Write off of accounts returned from H&H as uncollectible
 Summary by Reason Code
 Returned from March 01, 2024 to December 02, 2024

REASON CODE COMMENTS	Number of Accounts	Gross Charges	Payments	Adjustments	Balance	%
RCN - Routine Cancellation	69,511	161,516,605.00	10,670,056.31	19,376,116.24	131,470,432.45	100.00%
Grand Total	69,511	161,516,605.00	10,670,056.31	19,376,116.24	131,470,432.45	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.