

RALPH M. TERRAZAS FIRE CHIEF

February 28, 2022

BOARD OF FIRE COMMISSIONERS FILE NO. 22-025

TO:

Board of Fire Commissioners

FROM: Ralph M. Terrazas, Fire Chief

SUBJECT: WRITE-OFF OF UNCOLLECTIBLE LOS ANGELES FIRE DEPARTMENT EMERGENCY AMBULANCE SERVICE CHARGES EACH VALUED LESS THAN \$5,000 FOR FISCAL YEARS 2009-10 TO 2020-21 (FROM

APRIL 2010 THROUGH MARCH 2021)

FINAL ACTION: Approved Denied	Approved w/Corrections Received & Filed	Withdrawn

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 75,527 uncollected emergency ambulance service accounts for Fiscal Years 2009-10 to 2020-21 (April 2010 through March 2021) from the Advanced Data Processing, Inc., Emergency Medical Services billing and collection system. Each account is valued less than \$5,000; the total for 75,527 accounts amounts to \$85,497,231.04.

The 75,527 accounts for \$85,467,231.04 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 2021 and February 2022.

In line with Citywide Collection Guidelines, the staff of Accounting Services determined that the attached summary reports of unpaid accounts amounting to \$85,467,231.04 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 \$85,467,231.04 in uncollectible emergency ambulance

service accounts, each valued less than \$5,000, for Fiscal Years 2009-10 to 2020-21 (April 2010 through March 2021) 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, Acting 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 COMMISSIONERS

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CITY OF LOS ANGELES



FIRE DEPARTMENT

RALPH M. TERRAZAS FIRE CHIEF

200 NORTH MAIN STREET ROOM 1800 LOS ANGELES, CA 90012

> (213) 978-3800 FAX: (213) 978-3815

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February 28, 2022

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 2009-10 to 2020-21 (From April 2010 through March 2021)

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 75,527 accounts each valued less than \$5,000 for a total of \$85,497,231.04. These accounts were billed April 2010 to March 2021, referred to Harris and Harris collection agency, and returned to the LAFD between March 2021 and February 2022 as uncollectible.

Shane Min, Chair, Collections Board of Review February 28, 2022 Page 2

It is recommended that the Collections Board of Review approve the write-off of \$85,497,231.04 from 75,527 uncollected ambulance service accounts for Fiscal Years 2009-10 to 2020-21 (April 2010 to March 2021), each valued less than \$5,000.

- 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 2009-10 to 2020-21, 75,527 accounts referred to Harris and Harris, Ltd. for additional collection efforts were returned to the LAFD as uncollectible between March 2021 and February 2022. 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 14,677 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, Acting Departmental Chief Accountant, Administrative Services Bureau, at (213) 978-7675.

Sincerely,

RALPH M. TERRAZAS

Fire Chief

Attachments

Los Angeles Fire Department

FY 2015 - Jul 2014

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, 2021 to February, 2022 146 Fiscal Year - Month Year **Number of Accounts Gross Charges Payments Adjustments** Balance FY 2010 - Apr 2010 743.50 100.00 643.50 7 FY 2011 - Aug 2010 6,995.00 300.00 6,695.00 FY 2011 ~ Sep 2010 14 17,200.75 2,129.00 2.498.82 12,572.93 FY 2011 - Oct 2010 22 28,410.50 3,876.45 1,858.70 22,675.35 FY 2011 - Nov 2010 14 17,930.50 1,179 26 2,578.74 14,172.50 14,326.00 FY 2011 - Dec 2010 11 747.66 2,460.09 11,118.25 FY 2011 - Jan 2011 25 35,060.00 3,472.57 2,148.16 29,439.27 FY 2011 - Feb 2011 16 19,595.00 2,104.37 657.38 16,833.25 FY 2011 - Mar 2011 17 22,322.50 4.779.54 3,502.96 14,040.00 FY 2011 - Apr 2011 16 19,511 00 784.69 1,827.54 16,898.77 FY 2011 - May 2011 24 29,256.00 3,697.75 1,922.74 23,635.51 FY 2011 - Jun 2011 14 18,235.00 374.23 919.74 16,941.03 FY 2012 - Jul 2011 14 16,240.00 727.97 1,894.71 13,617.32 FY 2012 - Aug 2011 7 8,902.25 862.86 1,846.14 6,193.25 FY 2012 - Sep 2011 10 12,732.50 2,185.83 947.02 9,599.65 FY 2012 - Oct 2011 6 7,592.25 382.17 1,828.46 5,381.62 FY 2012 - Nov 2011 11 14,693.50 2.679.81 2,522.11 9,491.58 FY 2012 - Dec 2011 6 7,833.75 1,265.33 1,590.84 4,977 58 16 FY 2012 - Jan 2012 19,085 75 564.30 18,521 45 FY 2012 - Feb 2012 33 43,860.00 607.91 3.314.56 39,937.53 FY 2012 - Mar 2012 24 31,865.25 4,194.08 3,272.94 24,398.23 FY 2012 - Apr 2012 25 32,655.50 6,035.04 1,340.55 25,279.91 FY 2012 - May 2012 23 27,667.75 4,884.68 611.56 22,171.51 FY 2012 - Jun 2012 15 18,327.00 224.09 644.41 17,458.50 FY 2013 - Jul 2012 21 28,155.75 1,386.53 612.41 26,156.81 FY 2013 - Aug 2012 24 31,382.25 3,011.90 2.697.32 25,673.03 FY 2013 - Sep 2012 15 19,608.00 2,205.06 986.53 16,416 41 FY 2013 - Oct 2012 15 19,240.50 3,882.75 842.40 14,515.35 FY 2013 - Nov 2012 18 22,766.25 3,661.82 826.40 18,278.03 FY 2013 - Dec 2012 13,402.00 11 4,482.00 1,315.80 7,604 20 15 4,714.43 FY 2013 - Jan 2013 20,626.50 3,880.59 12,031.48 FY 2013 - Feb 2013 12 16,145.25 2,044.41 5,201.59 8,899.25 FY 2013 - Mar 2013 27 35,259.75 8,632.28 4,801.42 21,826.05 FY 2013 - Apr 2013 25 31,983.50 18,210,44 2,026.68 11,746.38 FY 2013 - May 2013 23 27,373.75 3,302.86 3,502.76 20,568 13 FY 2013 - Jun 2013 37 47,483,00 8.564.30 5,730.66 33,188.04 FY 2014 - Jul 2013 22 26,184.50 1,385.78 7.330.09 17,468.63 FY 2014 - Aug 2013 22 27,649.25 6,891.88 2,891.33 17,866.04 FY 2014 - Sep 2013 20 25.144.75 5.138.78 2.770 71 17,235.26 FY 2014 - Oct 2013 13 17,870.00 5,019.25 1,030.10 11,820.65 FY 2014 - Nov 2013 10 12,748.25 (599.85)4,440.67 8,907.43 FY 2014 - Dec 2013 13 15,733.25 1.896.21 2,388.37 11,448.67 17 FY 2014 - Jan 2014 22,452 00 6,527.71 3,541.48 12,382.81 FY 2014 - Feb 2014 6 7,833.75 592.33 1,879.42 5,362.00 2014 - Mar 2014 14 17,631.25 445 84 3,452 77 13,732.64 20 FY 2014 - Apr 2014 23,312.50 2,244.26 5,376.79 15,691.45 FY 2014 - May 2014 16 19,595.00 3,225.98 3,651.20 12,717.82 FY 2014 - Jun 2014 22 26,552.00 5,252.06 6,226,93 15,073.01

Run date:

14-Feb-22

9,491.21

5,336 25

7,190.54

22,018.00

17

FY 2019 - Oct 2018

Run date: Emergency Ambulance Services (Dept Revenue Source 4091) - ADPI / R1 / Digitech 14-Feb-22 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, 2021 to February, 2022 Fiscal Year - Month Year **Number of Accounts Gross Charges Payments Adjustments Balance** FY 2015 - Aug 2014 13 17,534.00 4,792.23 897.11 11,844 66 FY 2015 - Sep 2014 11 14,935.00 1,246.97 3,194.35 10,493.68 FY 2015 - Oct 2014 24 29,964.75 7,720.61 5,106.32 17,137.82 FY 2015 - Nov 2014 17 23,120.50 5,508.51 5.077.62 12,534.37 FY 2015 - Dec 2014 32 44,398.00 7,643.68 10,299 69 26,454.63 FY 2015 - Jan 2015 58 73,827.50 10,999.59 13,302.41 49,525.50 FY 2015 - Feb 2015 52,253.25 42 11,979.45 11,696.59 28.577.21 FY 2015 - Mar 2015 24 3,558.39 3,380.77 28.862.25 21,923.09 FY 2015 - Apr 2015 22 26,405.00 2,406,97 2,357.40 21,640.63 FY 2015 - May 2015 23 27,205.75 764.23 4,357 60 22,083.92 FY 2015 - Jun 2015 35 44.679.25 7,967.65 3,354.81 33,356.79 FY 2016 - Jul 2015 26 30,710.50 3,935.84 181.60 26,593 06 FY 2016 - Aug 2015 31 38,006.00 6,183.54 3,109.23 28,713.23 FY 2016 - Sep 2015 27 35,873.25 1,743.53 2.291.89 31,837.83 FY 2016 - Oct 2015 66 87,766.00 14,410.93 3.152.85 70,202.22 FY 2016 - Nov 2015 50 66,694.00 15,289 04 5,358.04 46,046.92 FY 2016 - Dec 2015 50 64.067.00 7.144.58 1,027.13 55,895.29 FY 2016 - Jan 2016 56 75.051.00 17,901.24 9,824.89 47,324.87 FY 2016 - Feb 2016 76 104,373.00 26,437 00 13,269.14 64,666.86 FY 2016 - Mar 2016 121 166,817.00 64.565.46 28,357.81 73,893.73 FY 2016 - Apr 2016 69 93,095.00 45,126.12 7,829.30 40,139.58 FY 2016 - May 2016 70 95,149.00 21,745.60 10,664.63 62,738.77 FY 2016 - Jun 2016 84 115,517.00 52,155.37 13,645,65 49,715.98 FY 2017 - Jul 2016 217 309,246.00 116,265.44 126,442.67 66,537.89 FY 2017 - Aug 2016 108 150.421.00 30,115.95 52,141.53 68,163.52 FY 2017 - Sep 2016 51 69,443.00 10,161.71 6,898.66 52,382.63 2017 - Oct 2016 58 77,539.00 7,712.41 3,156.27 66,670.32 2017 - Nov 2016 69 85,291.00 4,891.86 1,709.09 78,690.05 2017 - Dec 2016 68 92,842.00 10.303.94 6.373.62 76,164.44 2017 - Jan 2017 92 125,826.00 18,912.89 3.509.04 103,404.07 FY 2017 - Feb 2017 66 86.391.00 8,681 19 5,114.03 72,595.78 FY 2017 - Mar 2017 120 160,097.00 16,026.92 7,144 97 136,925.11 226,586.00 FY 2017 - Apr 2017 165 24,573 49 20,580.05 181,432.46 FY 2017 - May 2017 158 212,151.00 26,717.65 16,947.05 168,486.30 FY 2017 - Jun 2017 224 301,140.00 41,719.83 38,998.46 220,421.71 FY 2018 - Jul 2017 240 321,080.00 41,453.87 29,907.76 249,718 37 2018 - Aug 2017 346 460,406.00 54.155.54 40,505.33 365,745.13 2018 - Sep 2017 540 727,470.00 69,330.85 50,930.19 607,208.96 2018 - Oct 2017 1,161 1,549,263 00 131.043 68 110,406,65 1,307,812.67 2018 - Nov 2017 1,800 2,404,570.00 250,464,41 221,631.52 1,932,474.07 2018 - Dec 2017 428 574.311.00 25,285.90 12,871.26 536,153.84 2018 - Jan 2018 466 625,189.00 32,410.40 16.019 65 576,758.95 FY 2018 - Feb 2018 399 535,957.00 32,566.22 20,324.76 483,066.02 FY 2018 - Mar 2018 528 703,448.80 54,240.72 31,766.27 617,441.81 FY 2018 - Apr 2018 444 24,322.91 28,209.54 596,808.00 544,275.55 2018 - May 2018 384 518,063.00 39,762.09 25,832.13 452,468.78 2018 -Jun 2018 310 410,148.10 33,429.24 35,350,89 341,367.97 2019 Jul 2018 353 465,344.00 46,878.37 49,411.83 369,053.80 2019 - Aug 2018 407 531,586.00 54,764 40 38.911.00 437,910.60 2019 - Sep 2018 436 585,242.00 72,844.76 63,899.86 448,497.38

109,807.20

145,752.70

299,912.10

555,472.00

422

Run date: 14-Feb-22

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, 2021 to February, 2022

14,677

LEGATO LANGENCA

Fiscal Year - Month Year	Number of Accounts	Gross Charges	Payments	Adjustments	Balance
FY 2019 - Nov 2018	494	667,652.90	141,889.31	212,185.66	313,577.93
FY 2019 - Dec 2018	651	887,390.00	204,343.26	350,155.08	332,891.66
FY 2019 - Jan 2019	798	1,072,334.00	224,378.82	431,166.01	416,789 17
FY 2019 - Feb 2019	821	1,112,431.00	231,994.93	419,362.53	461,073.54
FY 2019 - Mar 2019	1,038	1,421,464.00	306,048.58	520,590.70	594,824.72
FY 2019 - Apr 2019	787	1,064,598.00	242,507.64	317,332.71	504,757.65
FY 2019 - May 2019	978	1,329,338.00	301,871.58	380,598.91	646,867.51
FY 2019 - Jun 2019	1,231	1,682,900.00	333,894.89	367,258.08	981,747.03
FY 2020 - Jul 2019	5,013	6,794,032.00	588,771.23	589,042.20	5,616,218.57
FY 2020 - Aug 2019	5,082	7,072,943.00	569,197.40	593,700.03	5,910,045.57
FY 2020 - Sep 2019	4,795	6,744,938.00	572,841.97	553,755.96	5,618,340.07
FY 2020 - Oct 2019	4,883	6,874,902.00	591,578.04	570,826.05	5,712,497.91
FY 2020 - Nov 2019	4,571	6,393,060.00	524,422.83	470,935.31	5,397,701.86
FY 2020 - Dec 2019	4,932	6,948,238.80	543,903.38	627,056.92	5,777,278.50
FY 2020 - Jan 2020	3,396	4,802,278.00	584,279.03	620,027.37	3,597,971.60
FY 2020 - Feb 2020	4,691	6,597,573.00	504,282.08	544,402.27	5,548,888.65
FY 2020 - Mar 2020	3,964	5,597,792.00	386,340.08	436,949.81	4,774,502.11
FY 2020 - Apr 2020	3,172	4,489,240.00	292,464.46	325,605.93	3,871,169.61
FY 2020 - May 2020	3,579	5,077,969.00	174,984.52	247,947.33	4,655,037.15
FY 2020 - Jun 2020	3,071	4,326,452.48	32,563.05	23,465.89	4,270,423.54
FY 2021 - Jul 2020	3,299	4,664,905.00	7,222.72	2,573.96	4,655,108.32
FY 2021 - Aug 2020	2,308	3,287,066.00	2,009.76	987.27	3,284,068.97
FY 2021 - Sep 2020	48	68,455.00	5	12	68,455.00
FY 2021 - Oct 2020	1	1,049.00	975.84	(1.84)	75.00
FY 2021 - Nov 2020	2	3,075.00	2,392.30	-	682.70
FY 2021 - Dec 2020	5	7,469.00	5,824.53	194.29	1,450.18
FY 2021 - Jan 2021	2	4,361.00	562.47	1,105.53	2,693.00
FY 2021 - Feb 2021	1	1,775.00	1,214.94	241.06	319.00
FY 2021 - Mar 2021	1	2,523.00	328.54	1,994.46	200.00
Grand Total	75,527	104,865,031.33	9,264,188.02	10,103,612.27	85,497,231.04

Grand Total	75,527	104,865,031.33	9,264,188.02	10,103,612.27	85,497,231.04
FY 2021	5,667	8,040,678.00	20,531.10	7,094.73	8,013,052.17
FY 2020	51,149	71,719,418.28	5,365,628.07	5,603,715.07	60,750,075.14
FY 2019	8,416	11,375,751.90	2,271,223.74	3,296,625.07	5,807,903.09
FY 2018	7,046	9,426,713.90	788,465.83	623,755.95	8,014,492.12
FY 2017	1,396	1,896,973.00	316,083.28	289,015.44	1,291,874.28
FY 2016	726	973,118.75	276,638.25	98,712.16	597,768.34
FY 2015	318	405,203.25	74,079.49	68,360.92	262,762.84
FY 2014	195	242,706.50	38,020.23	44,979.86	159,706.41
FY 2013	243	313,426.50	64,098.78	32,424.56	216,903.16
FY 2012	190	241,455.50	27,320.72	17,106.65	197,028.13
FY 2011	180	228,842.25	21,998.53	21,821.86	185,021.86
FY 2010	1	743.50	100.00	-	643.50

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 Primary Financial Class Type

Returned from March, 2021 to February, 2022

Run date: 14-Feb-22

REASON CODE COMMENTS	Number of Accounts	Gross Charges	Payments	Adjustments	Balance	%
Commercial	9,688	13,138,166.75	5,055,585.61	114,524.68	7,968,056.46	9.32%
Contract	57	83,421.50	2,866.12	1,938.58	78,616.80	0.09%
Medicaid	814	1,062,517.25	3,199.00	69,746.64	989,571.61	1.16%
Medicare	15,693	21,687,240.52	4,009,636.92	9,872,578.58	7,805,025.02	9.13%
Self Pay	49,275	68,893,685.31	192,900.37	44,823.79	68,655,961.15	80.30%
Grand Total	75,527	104,865,031.33	9,264,188.02	10,103,612.27	85,497,231.04	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.