

# LOS ANGELES FIRE DEPARTMENT



KRISTIN M. CROWLEY  
FIRE CHIEF

September 15, 2022

BOARD OF FIRE COMMISSIONERS  
FILE NO. 22-089

TO: Board of Fire Commissioners

FROM: *AKC* 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 2010-11 TO 2020-21 (FROM  
JANUARY 2011 THROUGH JUNE 2021)

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 Withdrawn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 28,331 uncollected emergency ambulance service accounts for Fiscal Years 2010-11 to 2020-21 (January 2011 through June 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 28,331 accounts amounts to \$39,168,304.13.

The 28,331 accounts for \$39,168,304.13 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 2022 and August 2022.

In line with Citywide Collection Guidelines, the staff of Accounting Services determined that the attached summary reports of unpaid accounts amounting to \$39,168,304.13 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 \$39,168,304.13 in uncollectible emergency ambulance service accounts, each valued less than \$5,000, for Fiscal Years 2010-11 to 2020-21 (January 2011 through June 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, 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**

JIMMIE WOODS-GRAY  
PRESIDENT

JIMMY H. HARA, M.D.  
VICE PRESIDENT

CORINNE TAPIA BABCOCK  
DELIA IBARRA  
REBECCA NINBURG

LETICIA GOMEZ  
COMMISSION EXECUTIVE ASSISTANT II

**CITY OF LOS ANGELES**  
CALIFORNIA



ERIC GARCETTI  
MAYOR

**FIRE DEPARTMENT**

KRISTIN M. CROWLEY  
FIRE CHIEF

200 NORTH MAIN STREET  
ROOM 1800  
LOS ANGELES, CA 90012

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

[HTTP://WWW.LAFD.ORG](http://www.LAFD.org)

September 15, 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 2010-11 to 2020-21 (From January 2011 through June 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 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 28,331 accounts each valued less than \$5,000 for a total of \$39,168,304.13. These accounts were billed January 2011 to June 2021, referred to Harris and Harris collection agency, and returned to the LAFD between March 2022 and August 2022 as uncollectible.

It is recommended that the Collections Board of Review approve the write-off of \$39,168,304.13 from 28,331 uncollected ambulance service accounts for Fiscal Years

2010-11 to 2020-21 (From January 2011 through June 2021), 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 2010-11 to 2020-21, 28,331 accounts referred to Harris and Harris, Ltd. for additional collection efforts were returned to the LAFD as uncollectible between March 2022 and August 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 288 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  
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, 2022 to August, 2022

Run date:  
23-Aug-22

Fiscal Year - Month Year	Number of Accounts	Gross Charges	Payments	Adjustments	Balance
FY 2011 - Jan 2011	1	1,436.00	-	-	1,436.00
FY 2012 - Jul 2011	1	989.75	-	-	989.75
FY 2018 - Oct 2017	1	1,068.00	-	-	1,068.00
FY 2018 - Dec 2017	1	1,528.00	1,472.08	-	55.92
FY 2018 - Jan 2018	1	1,566.00	-	-	1,566.00
FY 2018 - Feb 2018	1	1,642.00	349.67	1,142.33	150.00
FY 2018 - Mar 2018	7	9,833.00	1,888.39	1,006.34	6,938.27
FY 2018 - Apr 2018	5	7,142.00	1,522.21	-	5,619.79
FY 2018 - May 2018	6	7,366.00	2,200.61	-	5,165.39
FY 2018 - Jun 2018	9	11,813.00	1,615.29	986.82	9,210.89
FY 2019 - Jul 2018	7	10,791.00	805.70	2,025.77	7,959.53
FY 2019 - Aug 2018	7	10,255.00	-	-	10,255.00
FY 2019 - Sep 2018	12	16,283.00	894.00	-	15,389.00
FY 2019 - Oct 2018	10	14,474.00	1,829.49	1,009.05	11,635.46
FY 2019 - Nov 2018	13	17,393.00	1,756.71	-	15,636.29
FY 2019 - Dec 2018	21	28,503.00	1,672.05	24.02	26,806.93
FY 2019 - Jan 2019	24	32,433.00	4,113.64	4,005.65	24,313.71
FY 2019 - Feb 2019	25	35,383.00	3,377.32	773.62	31,232.06
FY 2019 - Mar 2019	16	23,448.00	4,877.32	5,721.64	12,849.04
FY 2019 - Apr 2019	21	29,423.00	6,173.04	3,606.12	19,643.84
FY 2019 - May 2019	18	23,417.00	913.66	2,718.34	19,785.00
FY 2019 - Jun 2019	28	38,368.00	7,682.48	8,318.93	22,366.59
FY 2020 - Jul 2019	23	30,753.00	5,379.91	4,312.43	21,060.66
FY 2020 - Aug 2019	30	39,742.00	12,143.43	3,170.92	24,427.65
FY 2020 - Sep 2019	49	68,371.00	16,048.99	12,880.66	39,441.35
FY 2020 - Oct 2019	46	66,604.00	14,993.41	18,304.63	33,305.96
FY 2020 - Nov 2019	67	93,819.00	22,370.99	26,798.90	44,649.11
FY 2020 - Dec 2019	108	155,334.00	35,649.90	57,767.62	61,916.48
FY 2020 - Jan 2020	149	207,109.00	49,867.13	68,489.10	88,752.77
FY 2020 - Feb 2020	172	240,899.00	70,416.52	78,697.54	91,784.94
FY 2020 - Mar 2020	184	262,219.00	69,352.06	90,717.22	102,149.72
FY 2020 - Apr 2020	203	288,039.00	83,932.40	93,672.21	110,434.39
FY 2020 - May 2020	369	514,513.00	159,289.55	145,243.31	209,980.14
FY 2020 - Jun 2020	927	1,296,165.45	385,185.34	373,857.50	537,122.61
FY 2021 - Jul 2020	957	1,353,913.00	397,064.61	421,923.81	534,924.58
FY 2021 - Aug 2020	2,085	2,937,108.00	419,991.38	526,459.05	1,990,657.57
FY 2021 - Sep 2020	4,260	6,017,406.00	368,205.31	405,050.02	5,244,150.67
FY 2021 - Oct 2020	4,242	6,015,176.00	308,084.18	334,872.72	5,372,219.10
FY 2021 - Nov 2020	3,767	5,329,131.00	234,437.42	235,596.34	4,859,097.24
FY 2021 - Dec 2020	3,141	4,492,659.00	166,025.29	187,254.30	4,139,379.41
FY 2021 - Jan 2021	2,986	5,413,589.00	10,985.22	19,942.00	5,382,661.78
FY 2021 - Feb 2021	2,595	5,953,099.00	6,487.42	10,776.78	5,935,834.80
FY 2021 - Mar 2021	1,732	4,098,817.00	1,936.36	4,042.98	4,092,837.66
FY 2021 - Apr 2021	1	2,543.00	2,443.00	-	100.00
FY 2021 - May 2021	2	5,066.00	4,001.76	(78.84)	1,143.08
FY 2021 - Jun 2021	1	2,523.00	328.87	1,994.13	200.00
<b>Grand Total</b>	<b>28,331</b>	<b>45,209,152.20</b>	<b>2,887,764.11</b>	<b>3,153,083.96</b>	<b>39,168,304.13</b>

FY 2011	1	1,436.00	-	-	1,436.00
FY 2012	1	989.75	-	-	989.75
FY 2018	31	41,958.00	9,048.25	3,135.49	29,774.26
FY 2019	202	280,171.00	34,095.41	28,203.14	217,872.45
FY 2020	2,327	3,263,567.45	924,629.63	973,912.04	1,365,025.78
FY 2021	25,769	41,621,030.00	1,919,990.82	2,147,833.29	37,553,205.89
<b>Grand Total</b>	<b>28,331</b>	<b>45,209,152.20</b>	<b>2,887,764.11</b>	<b>3,153,083.96</b>	<b>39,168,304.13</b>

Los Angeles Fire Department

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

Run date:

23-Aug-22

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, 2022 to August, 2022

FY	Primary Insurance Type	Number of Accounts	Gross Charges	Payments	Adjustments	Balance	%
2011	Self Pay	1	1,436.00	-	-	1,436.00	0.00%
	<b>Total</b>	<b>1</b>	<b>1,436.00</b>	<b>-</b>	<b>-</b>	<b>1,436.00</b>	<b>0.00%</b>
2012	Self Pay	1	989.75	-	-	989.75	0.00%
	<b>Total</b>	<b>1</b>	<b>989.75</b>	<b>-</b>	<b>-</b>	<b>989.75</b>	<b>0.00%</b>
2018	Commercial	11	14,063.00	6,420.99	-	7,642.01	0.02%
	Medicaid	1	1,642.00	349.67	1,142.33	150.00	0.00%
	Medicare	15	20,947.00	805.51	1,006.34	19,135.15	0.05%
	Self Pay	4	5,306.00	1,472.08	986.82	2,847.10	0.01%
	<b>Total</b>	<b>31</b>	<b>41,958.00</b>	<b>9,048.25</b>	<b>3,135.49</b>	<b>29,774.26</b>	<b>0.08%</b>
2019	Commercial	103	143,585.00	22,503.21	762.19	120,319.60	0.31%
	Medicare	82	113,313.00	10,621.55	27,440.95	75,250.50	0.19%
	Self Pay	17	23,273.00	970.65	-	22,302.35	0.06%
	<b>Total</b>	<b>202</b>	<b>280,171.00</b>	<b>34,095.41</b>	<b>28,203.14</b>	<b>217,872.45</b>	<b>0.56%</b>
2020	Commercial	666	942,945.00	522,859.50	15,508.89	404,576.61	1.03%
	Medicare	1,253	1,757,250.45	398,156.47	955,539.06	403,554.92	1.03%
	Self Pay	408	563,372.00	3,613.66	2,864.09	556,894.25	1.42%
	<b>Total</b>	<b>2,327</b>	<b>3,263,567.45</b>	<b>924,629.63</b>	<b>973,912.04</b>	<b>1,365,025.78</b>	<b>3.49%</b>
2021	Commercial	1,247	1,779,107.00	1,030,641.60	17,275.27	731,190.13	1.78%
	Contract	4	7,587.00	390.51	1,358.30	5,838.19	0.01%
	Medicaid	52	80,437.00	706.44	2,915.67	76,814.89	0.69%
	Medicare	2,551	3,639,497.00	866,894.83	2,124,656.35	647,945.82	1.46%
	Self Pay	21,915	36,114,402.00	21,357.44	1,627.70	36,091,416.86	91.78%
	<b>Total</b>	<b>25,769</b>	<b>41,621,030.00</b>	<b>1,919,990.82</b>	<b>2,147,833.29</b>	<b>37,553,205.89</b>	<b>95.72%</b>
<b>Grand Total</b>		<b>28,331</b>	<b>45,209,152.20</b>	<b>2,887,764.11</b>	<b>3,153,083.96</b>	<b>39,168,304.13</b>	<b>100.00%</b>