



## Legislation Details (With Text)

**File #:** 19-1248      **Version:** 1

**Type:** Agenda Item      **Status:** Approved

**File created:** 8/14/2019      **In control:** Board of Supervisors

**On agenda:** 10/8/2019      **Final action:** 10/8/2019

**Title:** Health and Human Services Agency (HHSA) recommending the Board:  
 1) Discharge the HHSA Director from further accountability to collect the debts identified on the attached Discharge of Accountability Report in the amount of \$2,225,536 pursuant to Government Code Sections 25257 through 25259, for the period 2007 through 2018; and  
 2) Direct the County Auditor-Controller to adjust the charge of \$2,225,536 against the HHSA Director on behalf of the Health and Human Services Agency.

FUNDING: N/A

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. A - 2019 Discharge of Accountability Detail 10/8/19, 2. B - 2019 Discharge of Accountability Summary 10/8/19, 3. C - Government Code 25257 - 25259.5 10/8/19

Date	Ver.	Action By	Action	Result
10/8/2019	1	Board of Supervisors	Approved	Pass

Health and Human Services Agency (HHSA) recommending the Board:  
 1) Discharge the HHSA Director from further accountability to collect the debts identified on the attached Discharge of Accountability Report in the amount of \$2,225,536 pursuant to Government Code Sections 25257 through 25259, for the period 2007 through 2018; and  
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**FUNDING:** N/A

**DISCUSSION / BACKGROUND:**

In accordance with California Government Code Section 25257 to 25259.5, the "Board of Supervisors may make an order discharging the department, officer, or employee from further accountability and if appropriate may direct the County Auditor-Controller to adjust any charge against the department, officer, or employee in a like amount."

When County debts are determined to be uncollectible for any of the following reasons, the accounts shall be presented to the Board of Supervisors (Board) annually for discharge from further accountability to collect the debts:

1. Bankruptcy;
2. Death of the debtor;
3. Statute of Limitations has expired; and
4. Unable to bill to 3rd Party.

In accordance with Board Policy B-4, Section I, paragraph e), the Health and Human Services

Agency (HSA) may provide ambulance billing via a contracted ambulance billing vendor, Intermedix. Additionally HSA contracts for collections processing of uncollected accounts with Access Capital, Inc. (Access). Accounts are reviewed for completeness and accuracy by County staff, and then passed to Intermedix for the initial billing process.

Intermedix first attempts to bill insurance, if the insurance information is available. Intermedix makes three attempts to collect the balance due or insurance information from the client. If they are unsuccessful in those three attempts, then the account is transferred to Access for collections processing. Access uses tools not available to Intermedix to locate and collect these accounts from the responsible individual(s).

If Access makes multiple attempts to collect these accounts, and upon confirmation that one of the four aforementioned criteria apply, they set the account aside for HSA to determine whether or not the accounts should be presented to the Board for Discharge of Accountability.

This item replaces an item that was filed on June 25, 2019 (file ID: 19-0930) to account for erroneous reporting information from Access. Multiple attempts were made with the vendor to confirm the data from the June 25, 2019 was correct. The vendor verified the data was correct at the time the item was filed. However, after the item was filed the vendor identified an issue with the system's algorithm. The algorithm was corrected and the collection data was updated. As a result, File ID 19-0930 item was removed and refiled.

The list of items determined to be uncollectable total \$2,225,536.50, as outlined below:

Bankruptcy: FY 2017-18 was \$11,723.00 (9 accounts); FY 2018-19 was \$71,871.97 (80 accounts). Change = Increase of \$60,148.97 (71 accounts).

Deceased Debtor: FY 2017-18 was \$40,504.99 (52 accounts); FY 2018-19 was \$81,881.46 (100 accounts). Change = Increase of \$41,376.47 (48 accounts).

Statute of Limitations Exceeded: FY 2017-18 was \$1,205,744.77 (1,244 accounts); FY 2018-19 was \$1,558,212.70 (1,415 accounts). Change = Increase of \$352,467.93 (171 accounts).

Unable to Bill: FY 2017-18 was \$509,464.90 (467 accounts); FY 2018-19 was \$513,570.37 (235 accounts). Change = Increase of \$4,105.47 (-232 accounts).

TOTAL BY FISCAL YEAR: FY 2017-18 was \$1,767,437.66; FY 2018-19 was \$2,225,536.50. Change = Increase of \$458,098.84.

The primary change from the FY 2017-18 Discharge of Accountability request is the Statute of Limitations category with an increase of 171 accounts and a balance increase of \$352,468 over prior year. The Statute of Limitations is set at seven years from the date of service as it refers to the time period when bad debt falls off the clients Credit Reports, which is generally the last motivating factor to collect on the account.

The Bankruptcy and Death of Debtor categories require legal proof, and have been confirmed by Access to be accurate.

The final category, Unable to Bill to 3rd Party, is directly related to Medicare billing standards not met

in the Electronic Patient Care Report or Physician Certification Statement documentation.

**ALTERNATIVES:**

Should the Board decline to discharge accountability of the HHSA Director for the aforementioned accounts, the uncollectible accounts would remain active on the HHSA collections process.

**PRIOR BOARD ACTION:**

- 1) June 25, 2019, File ID: 19-0930, Agenda No. 39
- 2) June 26, 2018, File ID: 18-0924, Agenda No. 30

**OTHER DEPARTMENT / AGENCY INVOLVEMENT:**

N/A

**CAO RECOMMENDATION:**

It is recommended that the Board approve this item.

**FINANCIAL IMPACT:**

There is no Net County Cost associated with the Ambulance Billing process. These ambulance billing debts are considered uncollectible and have not been factored into fund balance or projected revenues for the program.

**CLERK OF THE BOARD FOLLOW UP ACTIONS**

N/A

**STRATEGIC PLAN COMPONENT:**

Health and Human Services Agency Strategic Plan Goal 2, Fiscal Responsibility.

**CONTACT**

Donald Semon, Director