



TITLE: *GOVERNMENT CLAIMS PRESENTATION & DELEGATION OF AUTHORITY TO APPROVE, DENY AND/OR SETTLE CERTAIN GOVERNMENT CLAIMS*

SERVICE AREA: *LEGAL AFFAIRS*

DEPARTMENT: *LEGAL SERVICES*

Policy and Procedure Number		LS-009		
Total No. of Pages		Page 1 of 6		
Dates				
Effective Date	03/07/2013			
Review/Revision Date	06/05/2014			
Supersedes Policy Number				
PPSA/Mandated	YES		NO	X
Next (Annual) Review Date	06/05/2015			
Administrative	YES	X	NO	
Applies to:				
Medi-Cal – Plan Partners	YES	X	NO	
Medi-Cal – L.A. Care	YES	X	NO	
PASC-SEIU Plan	YES	X	NO	
Healthy Families	YES	X	NO	
Healthy Kids	YES	X	NO	
Medicare SNP	YES	X	NO	
Cal MediConnect L.A. Care	YES	X	NO	
Cal MediConnect Subcontracted Plans	YES		NO	X

1.0 POLICY:

1.1 This Government Claims Presentation & Delegation to Approve, Deny and/or Settle Certain Government Claims Policy and Procedure (hereinafter, “Government Claims Policy & Procedure”) is established as a prerequisite to bringing of any lawsuit, legal action, arbitration or any other proceeding against L.A. Care Health Plan (L.A. Care) that is based on any claim for money or damages that is otherwise exempt from the claim presentation requirements under the Government Claims Act. This Government Claims Policy & Procedure also delegates authority to L.A. Care’s Chief Executive Officer (or designee) and L.A. Care’s Executive Committee to approve, allow, deny, compromise or settle certain Government Claims, as set forth herein.

2.0 DEFINITIONS:

Whenever a word or term appears capitalized in this Policy and Procedure, the reader should refer to the “Definitions” below.

2.1 **Government Claims Act:** The Government Claims Act codified in California Government Code Sections 810 through 996.6. The Government Claims Act (formerly known as the Tort Claims Act) sets forth administrative claim requirements that need to be satisfied before commencing most actions seeking money or damages against a

public agency, like L.A. Care, or a public employee acting within the scope of his/her employment. The Government Claims Act further sets forth the requirements that need to be included in the administrative claim (also known as the Government Claim), as well as the timing periods for filing and responding to such claims. The Government Claims Act expressly authorizes public agencies, like L.A. Care, to establish its own claims presentation procedures (like this Government Claims Policy & Procedure) to include certain types of claims for money or damages that would otherwise be exempt from the requirements of the Government Claims Act. Additionally, the Government Claims Act expressly permits a public agency to delegate authority to approve, allow, deny, compromise or settle certain Government Claims, as set forth in this Government Claims Policy & Procedure.

2.2 Government Claim: An administrative claim that is subject to the Government Claims Act and/or this Government Claims Policy & Procedure.

2.3 Provider Government Claim: Any Government Claim by a contracted or non-contracted provider, including without limitation a hospital, PPG or IPA.

3.0 PROCEDURE/S:

3.1 Notwithstanding the exemptions set forth in §905 of the Government Claims Act, all claims against L.A. Care for money or damages, which are not otherwise governed by any other applicable statute or regulation, shall be presented and acted upon within the time limitations and in the manner prescribed by Chapter 2, commencing with Section 910 of Part 3 (Claims Against Public Entities) of Division 3.6 of Title 1 of the Government Claims Act, or as these provisions may be amended from time to time.

3.2 In accordance with Government Code §935(b) and 945.4, before commencing, filing or initiating any lawsuit, legal action, arbitration or any other legal proceeding against L.A. Care based on a claim for money or damages exempt under §905 of the Government Claims Act, a Government Claim must be presented and acted upon, as provided in §3.1, above.

3.3 Delegation to the Chief Executive Officer (or his/her designee):

3.3.1 Pursuant to the authority under Government Code §935.4, the Chief Executive Officer (or his/her designee), in consultation with General Counsel (or his/her designee) is hereby authorized to allow, compromise, negotiate or settle any Government Claim for money or damages in the amount not exceeding \$50,000. Upon written order or authorization of the Chief Executive Officer (or his/her designee), the Chief Financial Officer (or his/her designee) shall cause payment to be issued in the amount for which a Government Claim has been allowed, negotiated, compromised or settled under this Section.

3.3.2 The Chief Executive Officer (or his/her designee) is further authorized to reject any Government Claim filed under or required by the Government Claims Act

or the Government Claims Policy & Procedure, when rejection of such claim is appropriate.

3.3.3 The Chief Executive Officer (or his/her designee), at his/her own discretion, may refer the consideration of a Government Claim under this §3.3, to L.A. Care's Government Claims Commission (as described and established in §3.4 below), the Executive Committee or the Board of Governors, as he/she deems appropriate.

3.3.4 In the event that the Chief Executive Officer (or his/her designee) has conflict of interests, the consideration of the Government Claim shall be referred to L.A. Care's Government Claims Commission.

3.4 Establishment of and Delegation to L.A. Care's Government Claims Commission:

3.4.1 Pursuant to the authority under Government Code §935.2, a Government Claims Commission is hereby established, which shall be comprised of the following three (3) members: the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer or their respective designees.

3.4.2 Pursuant to the same authority, Government Claims Commission, in consultation with General Counsel (or his/her designee) is hereby authorized to allow, compromise, negotiate or settle: a) any Provider Government Claim for money or damages in the amount over \$50,000 but not exceeding \$250,000 and b) any other Government Claim for money damages in the amount over \$50,000 and but not exceeding \$100,000. Upon written order or authorization of the Government Claims Commission, the Chief Financial Officer (or his/her designee) shall cause payment to be issued in the amount for which a Government Claim has been allowed, negotiated, compromised or settled under this Section.

3.4.3 The Government Claims Commission, at its own discretion, may refer the consideration of a Government Claim under this Section to L.A. Care's Executive Committee or the Board of Governors, as the Government Claims Commission deems appropriate.

3.4.4 In the event of conflict of interests with at least two members of the Commission, the consideration of the Government Claim shall be referred to L.A. Care's Executive Committee.

3.5 Delegation to L.A. Care's Executive Committee:

3.5.1 L.A. Care's Executive Committee is hereby authorized to allow, compromise, negotiate or settle: a) any Provider Government Claim for money or damages in the amount over \$250,000 but not exceeding \$500,000 and b) any other

Government Claim for money damages in the amount over \$100,000 but not exceeding \$500,000.

3.5.2 The Executive Committee, at its own discretion, may refer the consideration of a Government Claim under this §3.5 to L.A. Care’s Board of Governors, as the Executive Committee deems appropriate.

3.5.3 In the event of conflict of interests with at least three members of the Executive Committee, the consideration of the Government Claim shall be referred to L.A. Care’s Board of Governors.

3.6 Any Government Claim exceeding \$500,000 shall be considered by L.A. Care’s Board of Governors, unless otherwise delegated by the Board of Governors.

3.7 This Claims Presentation Policy and Procedure applies only to Government Claims (including those filed by providers) and does not affect or supersede any other applicable policies, procedures and practices relating to provider disputes and provider claims, including without limitation those listed below:

3.7.1 Medicare Advantage claims subject to, submitted or processed in compliance with L.A. Care Policy & Procedure, CLM-002, “Claims Submission & Processing” and any other relevant and applicable L.A. Care policy or procedure relating to adjudication of such claims.

3.7.2 Medicare Advantage claims subject to, submitted or processed in compliance with L.A. Care Policy & Procedure CLM-014, “Provider Payment Dispute/Appeal Resolution Process for Non-Contracting Providers” and any other relevant and applicable L.A. Care policy or procedure relating to adjudication of such claims.

3.7.3 Medi-Cal (whether direct line of business or delegated to any of L.A. Care’s sub-contracted entities), In-Home Supportive Services, Healthy Kids or Health Family program claims, subject to, submitted or processed in compliance with L.A. Care Policies & Procedures, 4832, “Claims Appeals/Dispute Process for Providers & Members,” CLM-012, “Provider Dispute Resolution Policy – Claims,” and any other relevant and applicable L.A. Care policy or procedure relating to adjudication of such claims.

3.8 Reporting Requirements

3.8.1 L.A. Care’s Chief Executive Officer (or his/her designee) or General Counsel (or his/her designee) shall report to L.A. Care’s Executive Committee and/or the Board of Governors any proposed or actual approval or settlement of Government Claim authorized by §3.3, above. Similarly, the Government Claims Commission or General Counsel (or his/her designee) shall report to the Executive Committee and/or the Board of Governors any proposed or actual

approval or settlement of Government Claim authorized pursuant to Section 3.4, above. L.A. Care's Chief Executive Officer (or his/her designee) or General Counsel (or his/her designee) shall also provide an annual report to the Board of Governors on any significant, new or different trends observed as a result of taking actions pursuant to this Policy and Procedure.

4.0 AUTHORITY:

- 4.1 Government Code §§810 to 996.6
- 4.2 Government Code §§935, 935.2, and 935.4
- 4.3 Welfare & Institutions Code §14087.9685
- 4.4 Welfare & Institutions Code §§14087.96 *et seq.* and 14087.3 *et seq.*

5.0 REFERENCE:

- 5.1 L.A. Care Policies & Procedures:
 - 5.1.1 CLM-002, "Claims Submission & Processing"
 - 5.1.2 CLM-014, "Provider Payment Dispute/Appeal Resolution Process for Non-Contracting Providers"
 - 5.1.3 4832, "Claims Appeals/Dispute Process for Providers and Members"
 - 5.1.4 CLM-012, "Provider Dispute Resolution Policy -Claims"

6.0 ATTACHMENTS:

- 6.1 L.A. Care's Government Claims Act Form for Money or Damages

ELECTRONICALLY APPROVED BY THE FOLLOWING	
Responsible Department(s)	Policy Section #

ELECTRONICALLY APPROVED BY THE FOLLOWING			
	Officer	Director	Regulatory Affairs & Compliance
Name	Augustavia Haydel	N/A	Denise Corley
Department	Legal Services	N/A	Regulatory Affairs & Compliance
Title	General Counsel	N/A	Compliance Officer
IF APPLICABLE			
Board of Governors	Motion Number: EXE100.0614		

*Note: Please write "N/A" for the Name, Department, and Title of the Director if this approval is not applicable.

POLICY HISTORY				
Date	Department	Policy or Section #	Comment(s)	Next or Annual Review Date
03/07/13	Legal Services	Entire	New Policy	02/02/14
06/11/14	Legal Services	LS-009	Annual Review	06/05/15