



**Contra
Costa
County**

To: Contra Costa County Fire Protection District Board of Directors
From: Jeff Carman, Chief, Contra Costa County Fire Protection District
Date: March 28, 2017

Subject: AMR Ambulance Unit Hour Rate Adjustment

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Fire Chief, or designee, to execute a contract amendment with American Medical Response West (AMR), effective April 1, 2017, to update Exhibit D (Ambulance Unit Hour Rates) in the Service Plan with no change to original term or payment limit, for emergency ambulance services.

FISCAL IMPACT:

The AMR ambulance unit hour rate increase is intended to be cost neutral. The District's ambulance service rates will increase by 3.8%, but only a fraction of amounts billed are actually collected. That fraction is applied to the 3.8% CPI increase to determine AMR's ambulance unit hour rate increase. AMR collects 100% of ambulance unit hours invoiced to the District.

Other factors impact District transport revenue, so in fact this action is theoretically cost neutral. Factors that impact future transport collections include transport volume, services provide (e.g., mileage and oxygen), payer mix, payment caps, and potential changes to the Affordable Care Act and other relevant legislation.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY

☐ RECOMMENDATION OF BOARD

ADMINISTRATOR

COMMITTEE

Action of Board On: **03/28/2017** ☐ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: March 28, 2017

David Twa, County Administrator and Clerk of the Board of Supervisors

Contact: Terence Carey, Asst Fire Chief (925) 941-3504

By: Rolanda Hartfield, Deputy

cc:

Based on the formula included in the service plan, the Ambulance Unit Hour Rates will increase by an amount not to exceed 1.0108%.

BACKGROUND:

Effective January 1, 2016, the Contra Costa County Fire Protection District (District) became the exclusive operator of emergency ambulance service within Exclusive Operating Areas 1, 2, and 5 in Contra Costa County. The District contracts with American Medical Response West (AMR) for actual ambulance unit hours.

Service Plan Section P.2. of the Contract between the District and AMR states the following:

Ambulance Unit Hourly Rate Adjustments. Beginning on April 1, 2017, and on each April 1 thereafter, the Per Unit Hour Rate will increase by the percentage equal to the product of (a) District's collection realization percentage (i.e., the percentage of patient billings actually collected) for the preceding year, times (b) the increase in the rates that the District changes for services under the CCCEMSA Contract that is based on the charges in the Consumer Price Index.

The ambulance unit hour rates are specified in Exhibit D to the Service Plan of the Contract between the District and AMR. This amendment applies the above-described calculations to the unit hour rates in Exhibit D and adjusts them accordingly.

Under the District's Contract with the Contra Costa County Emergency Medical Services Agency (CCCEMSA), the District is also entitled to regular rate increases after the first twelve (12) month of service. The District's increase is based on changes in the Consumer Price Index, All Urban Consumers for Medical Care (U.S. city average) (1982-4=100) ("CPI"). The District's annual rate increase is the greater of three (3) percent or the increase in the CPI for the subject calendar year.

The CPI for calendar year 2016 is 3.8%; therefore, the District is requesting a 3.8% increase in its Ambulance Services Rate Schedule effective April 1, 2017.

To determine AMR's increase, 0.038 (or 3.8%) will be multiplied by the collection realization percentage for calendar year 2015. Calendar year 2015 collection data (provided by AMR) is being used for this calculation because calendar year 2016 collections are not mature (i.e., the percentage of patient billings actually collected, particularly in the last quarter of the year, will not reflect long term actual collections). Likewise, the April 1, 2018, increase for ambulance unit hour rates will be determined using the District's collection realization percentage for calendar year 2016.

CONSEQUENCE OF NEGATIVE ACTION:

AMR is contractually entitled to a unit hour rate increase on April 1, 2017. The District will not have an accurate ambulance unit hour rate schedule embedded in the service contract without approval of this action.