



**Contra
Costa
County**

To: Contra Costa County Fire Protection District Board of Directors
From: Jeff Carman, Chief, Contra Costa County Fire Protection District
Date: April 18, 2017

Subject: Emergency Ambulance Service Rate Schedule Revision

RECOMMENDATION(S):

A. OPEN the public hearing on the following two ordinances:

1. Ordinance No. 2017-08, an urgency ordinance authorizing the Contra Costa County Fire Protection District to revise its emergency ambulance service fees on and from April 18, 2017, through May 17, 2017.

2. Ordinance No. 2017-09, an ordinance authorizing the Contra Costa County Fire Protection District to revise its emergency ambulance service fees beginning May 18, 2017.

B. RECEIVE testimony and CLOSE the public hearing.

C. ADOPT Ordinance No. 2017-08, which becomes effective immediately and continues in effect through the end of the day on May 17, 2017.

D. ADOPT Ordinance No. 2017-09, which becomes effective on May 18, 2017.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **04/18/2017** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, Director
Diane Burgis, Director
Karen Mitchoff, Director
Federal D. Glover,
Director

ABSENT: Candace Andersen, Director

Contact: Jeff Carman, Fire Chief
(925) 941-3500

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: April 18, 2017

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

By: June McHuen, Deputy

cc:

FISCAL IMPACT:

The ordinances will allow the Contra Costa County Fire Protection District to recover the increased costs associated with the provision of emergency ambulance services in Emergency Response Areas (ERAs) 1, 2, and 5 within Contra Costa County effective April 18, 2017.

BACKGROUND:

The Emergency Ambulance Services contract between the Contra Costa County EMS Agency (“CCCEMSA”) and the Contra Costa County Fire Protection District (“District” or “Contractor”) establishes the rates the District is authorized to charge for providing emergency ambulance services. Exhibit D, Service Rate Schedule, of the Emergency Ambulance Services Contract provides as follows:

For each Ambulance responding to a call, Contractor shall charge the patient the Emergency Ambulance Response Base Rate, plus mileage costs at the Mileage Rate. If oxygen is administered to a patient, Contractor shall charge the patient the Oxygen Administration Charge, whether transported or not. If a patient is treated and refuses transport, Contractor will charge the patient the Treat and Refused Transport rate.

<i>Emergency Ambulance Response Base Rate</i>	<i>\$ 2,100.00</i>
<i>Mileage Rate (for each mile traveled with a loaded patient)</i>	<i>\$ 50.00</i>
<i>Oxygen Administration Charge</i>	<i>\$ 175.00</i>
<i>Treat and Refused Transport</i>	<i>\$ 450.00</i>

The District is not authorized to charge more or less than the rates specified in the District-CCCEMSA contract. The rates became effective January 1, 2016. The contract is attached.

The Emergency Ambulance Services contract between the District and American Medical Response West (“AMR” or “Subcontractor”) establishes the hourly rates the District pays AMR for providing emergency ambulance services. The hourly rates (Ambulance Unit Hour Rates) became effective January 1, 2016. The hourly rates are specified in Exhibit D of the District-AMR contract. The contract is attached.

Section P.2, Ambulance Unit Hourly Rate Adjustments, of the District-AMR contract requires the hourly rates paid to AMR to be adjusted annually. Beginning on April 1, 2017, and on each April 1 thereafter, the Subcontractor’s Ambulance Unit Hour Rate (“Per Unit Hour Rate”) increases by the percentage equal to the product of (a) the Contractor’s collection realization percentage and (b) the greater of three percent (3%) or the increase in the Consumer Price Index, All Urban Consumers for Medical Care (U.S.

city average) (1982-84=100) (“CPI”) for the subject calendar year. The CPI increase for calendar year 2016 was 3.8%. The “collection realization percentage” is the percentage of patient billings actually collected.

AMR’s collection realization percentage for calendar year 2015 was 26.6%. Currently, the District’s collection realization percentage for calendar year 2016 is 21.6%, but that will likely improve as the billing accounts continue to mature. The District and AMR estimated a collection realization percentage of 24.6% in the ambulance bid proposal to CCCEMSA.

Ambulance system costs include, but are not limited to, payments to AMR, billing service provider payments, dispatcher wages and benefits, administrative wages and benefits, system software and hardware upgrades, consulting fees, banking fees, and other costs. The largest cost driver in the ambulance system is payments to AMR. These payments to AMR account for over 95% of actual system costs.

The District is mandated by the terms of its contract with AMR to provide Ambulance Unit Hour Rate increases on an annual basis beginning in year two of the contract, and those increases are contractually determined by the formula specified in Section P.2 of the District-AMR contract. Therefore, the rates charged by the District for ambulance service must increase by a commensurate amount. Section P.2 of the District-CCCEMSA contract requires CCCEMSA to approve annual increases, based on changes in the CPI, to the Service Rate Schedule when requested by the District.

Applying an approximate 3.8% increase to the Service Rate Schedule results in the modified rates shown below.

Emergency Ambulance Response Base Rate	\$ 2,180.00
Mileage Rate (for each mile traveled with a loaded patient)	\$ 52.00
Oxygen Administration Charge	\$ 182.00
Treat and Refused Transport	\$ 467.00

These rates have been approved by the CCCEMSA Director. If approved by the District Board of Directors, these rates will go into effect on April 18, 2017.

CONSEQUENCE OF NEGATIVE ACTION:

If Ordinance No. 2017-08 and Ordinance No. 2017-09 are not adopted, the District will not be able to recover the increased costs of providing emergency ambulance services under its contract with the County and AMR.

CHILDREN'S IMPACT STATEMENT:

Approximately 10% of emergency medical service responses involve children under the age of 15.

CLERK'S ADDENDUM

CLOSED the public hearing; ADOPTED Ordinance No. 2017-08, which becomes effective immediately and continues in effect through the end of the day on May 17, 2017; and ADOPTED Ordinance No. 2017-09, which becomes effective on May 18, 2017.

ATTACHMENTS

Ordinance No. 2017-08

Ordinance No. 2017-09

CCCEMSA-District Contract

District-AMR Contract