



**Contra  
Costa  
County**

To: Contra Costa County Fire Protection District Board of Directors  
 From: Lewis T. Broschard III, Chief, Contra Costa Fire Protection District  
 Date: May 12, 2020

Subject: Emergency Ambulance Service Rate Schedule Revision

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**RECOMMENDATION(S):**

Acting as the Contra Costa County Fire Protection District Board of Directors,

A. OPEN the public hearing on Ordinance No. 2020-15 an ordinance authorizing the Contra Costa County Fire Protection District to increase its emergency ambulance service fees beginning June 12, 2020.

B. RECEIVE testimony and CLOSE the public hearing.

C. ADOPT Ordinance No. 2020-15.

**FISCAL IMPACT:**

This ordinance 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 June 12, 2020.

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☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY  
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD  
COMMITTEE

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Action of Board On: **05/12/2020** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

**VOTE OF SUPERVISORS**

Contact: Lewis Broschard,  
Fire Chief (925) 941-3300

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: May 12, 2020

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

By: , Deputy

cc:

## BACKGROUND:

The Emergency Ambulance Services contract between the Contra Costa County EMS Agency (“CCCEMSA”) and the Contra Costa County Fire Protection District (“District”) establishes the rates the District is authorized to charge for providing emergency ambulance services.

The District currently charges Emergency Ambulance Services patients the following amounts: Emergency Ambulance Response Base Rate of \$2,312.76; a Mileage Rate of \$55.27 for each mile traveled with a loaded patient; an Oxygen Administration Charge of \$193.08; and \$495.43 for Treat and Refused Transport. The District is not authorized to charge more or less than the rates specified in the District-CCCEMSA contract.

The current rates became effective April 12, 2019. The Emergency Ambulance Services contract between the District and American Medical Response West (the “Ambulance Subcontract”) establishes the hourly ambulance unit rates the District pays AMR for providing emergency ambulance services.

The Ambulance Subcontract requires the hourly rates paid by the District to American Medical Response West (“AMR”) to increase annually. Beginning on April 1, 2017, and on each April 1 thereafter, the per unit hour rate increases by the percentage equal to the product of (i) the District's collection realization percentage for the preceding year, times (ii) the percentage increase in the rates the District charges for services under the CCCEMSA contract, which is based on changes in the Consumer Price Index, All Urban Consumers for Medical Care (U.S. city average) (1982-84=100) (“CPI”).

Effective May 1, 2020, AMR will receive an approximate 5% increase in its unit hour rate to correct for unsustainable increases under the current formula. Effective May 1, 2021, the Ambulance Subcontract will provide that AMR’s ambulance unit hours rates will increase will by the greater of (i) the percentage increase in CPI, and (ii) three percent (3%). 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 80% of 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 the District-AMR contract.

The new formula provides AMR with the full CPI increase on all ambulance services since AMR collects 100% of ambulance unit hours invoiced to the District. However, the District does not receive the full CPI increase on all types of payers as only a fraction of the amounts billed are actually collected.

Factors that impact 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. Commercial payers will mainly pay the increased rates, while factors such as payment caps for Medicare and Medi-Cal will limit the transport collection for those payers. Therefore, in order for the AMR ambulance unit hour rate increase to be cost neutral, the rates charged by the District for ambulance service must increase by an amount greater than the CPI.

The District-CCCEMSA contract requires CCCEMSA to approve annual increases to the Service Rate Schedule when requested by the District. The CCCEMSA and the District intend to amend their contract to provide for the preceding year's rates to be increased annually by the greater of five percent (5%), or the average CPI for the most recent and available three-year period, divided by the following: the average dollar amount received by the District from non-public payers for the most recent three-year billing period (excluding billings that are less than six months old) divided by the average dollar amount received by the District from all payers for the most recent three-year billing period (excluding billings that are less than six months old), provided that no such increase shall exceed nine percent (9%). Applying a five percent (5.0%) increase to the Service Rate Schedule results in the modified rates shown below.

The revised annual fee increase calculation is necessary because payments the District receives from public payers for emergency ambulance transport services do not increase with rate increases.

Emergency Ambulance Response Base Rate of \$2,428; a Mileage Rate of \$58.00 for each mile traveled with a loaded patient; Oxygen Administration Charge of \$203; and a Treat and Refused Transport fee of \$520. If approved by the District Board of Directors, these rates will go into effect on June 12, 2020.

#### CONSEQUENCE OF NEGATIVE ACTION:

If Ordinance No. 2020-01 is 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

**Section II. F and G were corrected to add the word Medical in front of Consumer Price Index.**

**CLOSED the hearing; and ADOPTED Ordinance 2020-15.**

## ATTACHMENTS

Ordinance No. 2020-15