



**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: Approve and Authorize Contract Extensions and Amendments for Ambulance Transport Services and Adopt Related Actions

**RECOMMENDATION(S):**

Acting as the Board of Supervisors of Contra Costa County:

1. FIND that the Contra Costa County Fire Protection District has substantially complied with all terms of the January 1, 2016, Emergency Ambulance Services contract between the County and the Fire District.
2. APPROVE and AUTHORIZE the Health Services Director, or designee, to execute an amendment to the County-Fire District Emergency Ambulance Services contract that extends the term to December 31, 2025, and authorizes increases in emergency ambulance services transport rates.

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

1. FIND that American Medical Response West (AMR) has substantially complied with all terms of the January 1, 2016, Emergency Ambulance Services contract between the Fire District and AMR.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY  
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD  
COMMITTEE

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

Clerks Notes:

**VOTE OF SUPERVISORS**

AYE: John Gioia, District I Supervisor  
 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: May 12, 2020

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

Contact: Jackie Lorrekovich, Chief,  
 Administrative Services (925) 941-3300

By: June McHuen, Deputy

cc:

2. APPROVE and AUTHORIZE the Fire Chief, or designee, to execute an amendment to the Fire District-AMR contract extending the term of the contract from December 31, 2020 to December 31, 2025; increasing the payment limit by \$200,000,000, from \$200,000,000 to \$400,000,000; adding a Basic Life Support (BLS) unit hour

### RECOMMENDATION(S): (CONT'D)

rate, effective April 6, 2020; amending the effective date and methodology for determining annual ambulance unit hour rate adjustments; and authorizing the Fire District to deliver Fire District-owned ambulances for use by AMR in performing emergency ambulance transport services.

3. APPROVE and AUTHORIZE the Fire Chief, or designee, to execute an amendment to the County-Fire District Emergency Ambulance Services contract that extends the term to December 31, 2025, and authorizes increases in emergency ambulance services transport rates.

4. APPROVE and AUTHORIZE the Fire Chief, or designee, to execute a contract amendment with Advanced Data Processing, Inc., increasing the payment limit by \$9,500,000, from \$8,500,000 to \$18,000,000, and extending the term from December 31, 2020, to December 31, 2025, to continue to provide billing and related services for the provision of first responder and ambulance transport emergency medical services.

### FISCAL IMPACT:

During its first four years in operation, the District, through its unique contractor-subcontractor model, was able to set aside approximately six months of operating expenditures and designate that as reserves in the CCCFPD EMS Transport Fund (fund no. 204000). The contract amendment with AMR will reset and increase the unit hour rate AMR receives. Additionally, the District will be purchasing ambulances and associated capital equipment moving forward into the second five year term. These ambulances and associated capital equipment will be owned by the District and used by AMR in carrying out their responsibilities of providing service under the revised agreement. Through the next three (3) years and beyond, the District will transition all ambulances and associated capital equipment to District-owned assets. This will alleviate AMR from the financial burden of procuring and maintaining the ambulances and associated capital equipment, thereby reducing direct expenses and creating further financial sustainability of our subcontractor.

Offsetting the increased unit hour rate paid to AMR and the District's investment in capital, the District will have a changed methodology for its annual rate increases. Currently, the District receives the higher of 3% or Medical CPI. However, most of the District's payers are public payers (Medicare and Medicaid) and payments from public payers are capped. Therefore, the District essentially only nets rate increases from commercial payers.

It is anticipated that the District will not experience the same degree of retained earnings to continue building reserves in the next five years of the contract; however, increased expenditures to the subcontractor (AMR) and increased capital expenditures (in the form of ambulance acquisition) should be matched by increases on the revenue side and by an annual reduction in retained earnings. There is uncertainty revolving around the impacts

of COVID-19. There is currently a significant reduction in call volume. If that reduction is remains to be long term, the District will need to manage it by reducing expenditures (i.e., removing ambulance unit hours from the system).

### **BACKGROUND:**

On November 17, 2015, the Board of Supervisors authorized the Health Services Director to execute a contract with the Contra Costa County Fire Protection District to provide advanced life support emergency ambulance services in three exclusive operating areas from January 1, 2016, through December 31, 2020. The three exclusive operating areas (areas 1, 2, and 5) cover approximately 92 percent of the County. On the same date, the Board, in its capacity as the Fire District Board of Directors, authorized the Fire Chief to execute the agreement on behalf of the Fire District. The Board of Directors also authorized the Fire Chief to execute a subcontract with American Medical Response West (AMR) to provide ambulance services under the direction of the Fire District in the three operating areas during the same period. The Fire District began providing ambulance services to the County on January 1, 2016, under the “Fire – EMS Alliance” partnership with AMR.

### **County-Fire District Contract Extension**

Section Q(17) of the County-Fire District contract requires the County EMS Director to report to the Board on the Fire District’s compliance with the terms of the contract. If the Board finds that the Fire District has been in substantial compliance with all contract terms, then the contract is extended to December 31, 2025. The EMS Director recommends that the Board make this finding, based on the Fire District’s performance under the contract.

The EMS Agency process for evaluating emergency ambulance contractor performance includes:

1. Monthly meetings among the EMS Agency, the Fire District, and AMR since January 1, 2016. During the meetings performance is reviewed and discussed as specified in the contract and RFP compliance associated with services provided by the Fire-EMS Alliance. These meetings are attended by decision makers from the Fire District and AMR. EMS system challenges, service delivery and performance are addressed in that forum.
2. The EMS Agency conducts annual operational on-site audits and ambulance inspections. The EMS Agency completed the 2019 annual audit on December 5, 2019. The EMS Agency concluded that the Fire District achieved a “pass” rating in all areas evaluated under the audit. A copy of the audit is attached.
3. The performance-based agreement requires detailed monthly clinical and operational data reports. These reports are received and reviewed by the EMS Agency per the terms of the agreement. Monthly reports include:
  1. Patient Satisfaction and Customer Service Metrics
  2. Billing Complaints and Feedback

3. Workforce Satisfaction and Turnover
4. Vehicle, Personnel and Equipment Safety
5. Strategic plan and clinical quality improvement
6. Community Education and program metrics

The EMS Agency conducts response time compliance using a third-party online compliance system to accurately and objectively measure ambulance response time data for each emergency response area. Public posting of response time contract compliance is reported at <https://cchealth.org/ems/cfd.php>.

The Fire-EMS Alliance has also earned credit for various other achievements that have been implemented including: a robust dispatch program, launching the first Advanced Life Support (ALS) inner-facility transport program that provides non-emergency paramedic transports for our local hospitals, improved on-scene times for 911 emergency calls and community involvement through outreach and education.

In addition to recommending a contract extension, the EMS Director also recommends that the Board approve a contract amendment that increases current emergency ambulance services transport rates. Under the contract amendment, the following rates would go into effect:

1. Emergency ambulance response base rate: \$2,428.
2. Mileage rate: \$58.
3. Oxygen administration charge: \$203.
4. Treat and refused transport: \$520.

Subsequent annual increases to these rates would be calculated as follows. The annual increase to these rates would be equal to the greater of (i) and (ii):

(i) A percentage calculated as follows: The average Medical Consumer Price Index for the most recent and available three-year period, divided by the following: the average dollar amount received by the Fire District from non-public payers for the most recent three-year billing period (excluding billings that are less than six (6) months old) divided by the average dollar amount received by the Fire District from all payers for the most recent three-year billing period (excluding billings that are less than six (6) months old).

For example, if the average Medical CPI for the most recent three-year period is three percent, and the average amount the Fire District received from non-public payers for the most recent three-year period (excluding billings that are less than six months old) is \$27 million, and the average dollar amount received by the Fire District from all payers for the most recent three-year period (excluding billings that are less than six months old) is \$47 million, then the percentage increase would be 5.22%, calculated as follows:  $.03/(\$27,000,000/\$47,000,000)$ .

(ii) Five percent.

The maximum rate increase cannot exceed nine percent.

### **Fire District-AMR Contract Extension**

Section Q(15) of the Fire District-AMR contract requires the Fire District to report to the Board of Directors on AMR's compliance with the terms of the contract. If the Board finds that AMR has been in substantial compliance with all contract terms, then the contract is extended to December 31, 2025. The Fire District recommends that the Board make this finding, based on AMR's performance under the contract.

Since 2016, AMR has operated at levels consistent with the standards and expectations outlined in its contract with the Fire District. The Fire-EMS Alliance model, with a first responder fire district as contractor and a private ambulance service provider as subcontractor, was an entirely new approach for providing emergency ambulance services not seen previously in California. Operationally, the Fire-EMS Alliance has maintained consistent compliance with required performance benchmarks regarding response times, clinical quality, system status management and ambulance post movements, as well as public education and community engagement. Evidence of this compliance is supported through daily response time compliance and performance reports submitted to the Fire District and through annual reports compiled in collaboration with the EMS Agency. Evidence of the quality of AMR's personnel and professional service is supported by the feedback received from fire service agencies throughout the County regarding marked improvement in response times under the Fire-EMS Alliance model versus prior to 2016. Ongoing clinical quality improvement and compliance with standards is supported by the results of constant and recurring reviews of transports and patient care reports by the Fire District's Medical Director.

The contract amendment includes two key provisions for ongoing sustainability of AMR in its subcontractor role. First, the contract provides for a 5% increase in the hourly rate paid by the Fire District to AMR in the first year of the extension. In subsequent years, the rates paid to AMR will increase annually by the greater of the percentage increase in Medical CPI and 3%. This replaces the current minimum annual unit hour rate increase of approximately 1%, which has been determined to be below the amount necessary to support ongoing operations for AMR.

Second, the contract amendment includes a provision whereby the Fire District will begin purchasing ambulances and associated capital equipment moving forward into the second five-year term. These ambulances and associated capital equipment will be owned by the Fire District and used by AMR in carrying out their responsibilities of providing service under the revised agreement. Through the next three years and beyond, the Fire District will transition all ambulances and associated capital equipment to Fire District-owned assets. This will alleviate AMR's financial burden of procuring and maintaining the ambulances and associated capital equipment, thereby reducing direct expenses and

creating further financial sustainability of our subcontractor.

The contract amendment also authorizes the addition of a Basic Life Support (BLS) unit hour rate. Due to the need to upstaff for the COVID-19 pandemic, the Fire District added two BLS units to its cadre of response resources effective April 6, 2020. The Fire District and AMR do not currently have an approved BLS rate in Exhibit D of the contract. This action adds a BLS unit hour rate in the amount of \$116.31 effective April 6, 2020, to be able to compensate AMR for BLS transport.

Lastly, this Board order authorizes the Fire Chief to execute a contract amendment and extension with Advanced Data Processing, Inc. to continue providing billing and related services for the provision of first responder and ambulance transport emergency medical services.

CONSEQUENCE OF NEGATIVE ACTION:

The Emergency Ambulance Services contract extensions would not be approved.

ATTACHMENTS

2019 Alliance Audit

American Medical Response West

Advanced Data Processing Amendment