



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** Public Health  
**Department No.:** 041  
**For Agenda Of:** December 13, 2016  
**Placement:** Administrative  
**Estimated Tme:**  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department Takashi Wada, MD, MPH  
Director Director/Health Officer, Public Health Department  
Contact Info: John Eaglesham, (681-5394)  
Emergency Medical Services Agency Director  
**SUBJECT:** Amendment to Extend Agreement with American Medical Response West

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence: Risk Management**

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors consider the following recommendations:

- a) Approve and authorize the Chair to execute a Third Amendment to extend the term of the Professional Services Agreement with American Medical Response West through December 31, 2019.
- b) Find that the proposed actions do not constitute a "Project" within the meaning of California Environmental Quality Act (CEQA), pursuant to Section 15378(b)(4) of the CEQA Guidelines, because they consist of the creation of government funding mechanisms or other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant impact on the environment.

**Summary Text:**

This item is on the agenda to authorize the Chair to execute a Third Amendment to the Agreement with American Medical Response West (AMR) to extend the term through December 31, 2019 for emergency and non-emergency ambulance services (Attachment B). The Agreement between the County of Santa Barbara and AMR is being extended two additional years beyond its original term at the request of the Santa Barbara County Fire Chiefs Association and the Emergency Medical Services (EMS) Agency to allow for further investigation of alternative service models (Attachment A). This request is being made one year prior to the end of the term due to the complex planning and implementation actions required.

**Background:**

On December 14, 2004 your Board approved and executed an agreement with AMR for Advanced Life Support (ALS) ambulance services. The term of this agreement was seven (7) years; January 1, 2005 through December 31, 2011 with the option for two (2) three-year extensions. The last extension was approved by your board on August 20, 2013 allowing the contract term through December 31, 2017.

Extending this agreement an additional two (2) years will allow time for the Santa Barbara County Fire Chiefs Association to investigate and research the viability of new service delivery models in emergency medical care, ambulance services and reimbursement methods. 9-1-1 ambulance system revenues are falling nationally and a shift in payer mix from self-pay and commercial insurance to Medi-Cal or Medicare have resulted in an overall decrease in revenue. While we have not seen this occur in Santa Barbara County, this trend has been seen in several communities including Alameda and Contra Costa Counties. It is unknown at this time how changes to the Affordable Care Act under the new federal administration could impact health reform and reimbursement mechanisms.

The Fire Chiefs are requesting a two (2) year extension to the AMR contract to allow time for operational and financial performance data from several new and emerging EMS systems in California to develop. Data from these systems will assist our county in deciding whether to support a change in current practice and adopt a new model. Examples under consideration are:

- The Contra Costa County Fire Department “Alliance” program. This new model positions the Contra Costa County Fire Department as the contractor for ambulance transport services and the fire department in turn subcontracts to a private ambulance company. The Alliance proposal shifts the economic responsibility from the ambulance contractor to the County Fire Protection District.
- GEMT – Ground Emergency Medical Transport. Opportunities exist that allow public ambulance providers to receive supplemental reimbursement from the Federal Government. This plan is part of the Federal Medicaid program and provides supplemental reimbursement for the cost of emergency medical services and ambulance transportation. GEMT allows ambulance transport providers to submit for supplemental payments for non-managed care Medi-Cal beneficiaries to cover the difference between what they charge and what Medi-Cal pays. The program is only open to eligible government entities, AMR cannot participate in GEMT.
- IGT – Inter-Governmental Transfer. IGTs are part of the GEMT program and are transfers of public funds between governmental entities, such as from a county to the state. This plan is a cost sharing program 50/50 split of the total cost of the service.
- Mobile Integrated Health - MIH is the provision of healthcare using patient-centered, mobile resources in the out-of-hospital environment. It may include, but is not limited to services such as providing community paramedicine care, chronic disease management, preventive care or post-discharge follow-up visits or transport or referral to a broad spectrum of appropriate care, not just to hospital emergency departments. The fire departments believe there may be a roll for their firefighters in providing this service.

Beginning in January 2017, the EMS Agency will initiate a process for assessing the effectiveness and quality of various ambulance transport models being considered under a county committee called the EMS System Review Committee. Through the assistance of a consultant/facilitator, this committee will analyze the current EMS and ambulance transport system, assess system needs, evaluate new trends in

EMS, evaluate new service delivery models and make a recommendation to the EMS Agency for a new agreement that will take us into the year 2030. The EMS System Review Committee will consist of up to twenty stakeholders representing the medical, rescue, consumer and government community.

EMS System Review Committee membership:

- Two hospital representatives
- Two city and two county fire department representatives
- One Emergency Department physician & one ED nurse
- One representative of the Hospital Association of Southern Ca.
- One insurance payer representative
- One representative of a city or county fiscal department
- Two representatives from city administrator's offices
- One representative from the County Board of Supervisors
- One representative of the County CEO's office
- Two community representatives
- One Behavioral Wellness representative
- One Law/Sheriff representative
- Two representatives from private ambulance companies

A timeline for EMS system review process is:

- April 1, 2107 - EMS System Review Committee convenes with a minimum of monthly meetings to include workgroups and subcommittees.
- March 31, 2018 - The Board of Supervisors receives a report from the EMS Agency on its evaluation with recommendations for new system design and agreement.
- July 1, 2018 - EMS Agency begins new contract discussions with the incumbent provider or publishes a Request for Proposal (RFP) for ambulance transportation services.
- October 1, 2018 - Paramedic ambulance transportation provider selected.
- January 1, 2019 - New contract signed and approved by Board of Supervisors (one year prior to expiration).
- January 1, 2020 - New Ambulance transportation agreement begins.

The goal is to maintain high quality emergency medical services and ambulance transportation for the residents and visitors of Santa Barbara County.

Decisions on extensions must be made two years prior to the expiration of the agreement because the time required to conduct a stakeholder input, to publish a Request for Proposals, to execute agreement(s), and to initiate services. On July 13, 2010, your Board approved the first three-year extension of the Agreement through December 31, 2014.

The Contract Compliance Committee meets annually to review AMR's performance data, and AMR has consistently performed well and meets all performance requirements under the Agreement.

**Performance Measure:**

All County Advanced Life Support (ALS) providers will be compliant with response time requirements in each of the seven EMS zones of the County. Improve the patient experience of care (including quality and satisfaction), improve the health of populations and reduce the per capita cost of health care.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>Current FY 2016-17 Revenue:</u></b>	<b><u>Annualized On-going Revenue:</u></b>	<b><u>Total One-Time Project Revenue</u></b>
General Fund			
State			
Federal			
Fees			
Other: AMR Contract Extension	\$ 3,416,427.00	\$ 6,904,253.00	
<b>Total</b>	<b>\$ 3,416,427.00</b>	<b>\$ 6,904,253.00</b>	<b>\$ -</b>

There is no General Fund impact with approval of this contract extension. The contract extension will provide estimated future revenue beginning in FY 17-18 totaling approximately \$6,904,253. Of this amount, AMR will pay approximately \$2,419,197 to city and district fire departments, of which \$887,869 is allocated to the County Fire Department; \$2,992,234 to the Sheriff’s Department, and \$1,492,822 to the EMS Agency. These amounts will be included as part of each prospective fiscal year recommended budgets.

**Key Contract Risks**

Revenue projections are based on historical ambulance transportation revenue with rates projected to increase 2.18% during this two year extension period. AMR has been financially stable during the entire term of the agreement and has made all financial obligations on time. The risks are mitigated by the fact that AMR and its predecessor company has provided service in Santa Barbara County for the past 46 years and is a financially stable corporation.

**Staffing Impacts:**

**Legal Positions:**  
0

**FTEs:**  
0

**Special Instructions:**

Please execute two (2) original Third Amendments to the Agreement with American Medical Response West and retain one (1) original Agreement and one (1) Minute Order for pick-up by the department. Please email [phdca@sbcphd.org](mailto:phdca@sbcphd.org) when available for pickup.

**Attachments:**

- A. Santa Barbara County Fire Chief’s Association Letter
- B. Third Amendment to the American Medical Response West Agreement
- C. Second Amendment to the American Medical Response West Agreement
- D. First Amendment to the American Medical Response West Agreement
- E. Original American Medical Response West Agreement

**Authored by:**

John Eaglesham, EMS Agency Director