

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: May 21, 2019
Placement: Departmental
Estimated Time: 90 minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Van Do-Reynoso, MPH, PhD
Director(s) Public Health Department Director
Contact Info: Nicholas Clay, 681-5394
Emergency Medical Services Agency Director
SUBJECT: EMS System Review and Authorization to Negotiate a Fourth Amendment with American Medical Response West

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

As to form: N/A

Recommended Actions:

That the Board of Supervisors consider recommendations as follows:

- a) Receive and file findings from the Fitch & Associates Emergency Medical Services (EMS) System Review Phase 1 Report;
- b) Receive an update from the Public Health Department, acting as the Local EMS Agency (LEMSA), on the status of Phase 2 and Phase 3 of the EMS System Review;
- c) Receive an update from the Public Health Department, acting as the LEMSA, on the timeline regarding the Ambulance Agreement;
- d) Approve and authorize the Public Health Department to negotiate and return to the Board for approval of a Fourth Amendment to the Professional Services Agreement with American Medical Response West (AMR) to extend the term an additional year through December 31, 2020; and
- e) Determine that the recommended actions do not constitute a "Project" within the meaning of California Environmental Quality Act (CEQA), pursuant to Section 15378(b)(5) of the CEQA Guidelines, because the actions consist of organizational and administrative activities that will not result in direct or indirect physical changes in the environment.

Summary Text:

On December 13, 2016, the Board approved the term extension of the current agreement between the County of Santa Barbara and American Medical Response West (AMR) for ambulance services, which

expires on December 31, 2019. Additionally, the Board directed staff to conduct an EMS System Review. The Public Health Department, acting as the LEMSA, initiated a three (3) phase EMS System Review, contracting with Fitch & Associates (FITCH) to complete all three phases. Phase 1 was a comprehensive review of the EMS System, which included significant stakeholder feedback (Attachment A). Phase 1 was completed and presented to stakeholders in the fall of 2018. Phase 2 began in March 2019 with a stakeholder survey, ranking the findings from Phase 1 in order of importance. In April 2019, Phase 2 meetings were held with a number of key stakeholders to discuss possible solutions to several key findings. FITCH is currently in the process of compiling the Phase 2 report.

Once the LEMSA receives the Phase 2 report, it will review the recommendations and enhancements made by stakeholders to determine if they are consistent with the Triple Aim framework (discussed below). Thereafter, enhancements consistent with this framework will be further analyzed to determine if they are within the “manner and scope” of the EMS Plan.

The LEMSA will return to your Board later this year to make a recommendation to either renegotiate the ambulance agreement, or conduct a competitive process through issuance of a Request for Proposal (RFP). In order to preserve ambulance service in the County, the LEMSA recommends extending the current agreement with AMR for a period of one-year, until December 31, 2020. It is expected the Public Health Department will return with a negotiated Fourth Amendment to the AMR agreement within 60 days.

Background:

The LEMSA engaged FITCH to conduct a review of the County’s EMS System prior to the expiration of the primary transport provider’s EMS agreement. The LEMSA is facilitating a three-phase process for the EMS System Review (project). Phase 1 of the project consisted of a comprehensive and objective EMS System assessment. The attached Phase 1 report describes the findings and recommendations from that assessment. The desired outcome of the project is to implement a Triple Aim approach in the EMS System that maintains a high level of clinical proficiency, is operationally sound and fiscally responsible. The Triple Aim framework consists of enhancing the patient experience, improving population health, and reducing costs.

The Phase 1 Findings

The findings include successes and challenges in the current EMS System, and are grouped into three (3) main categories: EMS System, LEMSA, and Ambulance Agreement.

The EMS System: Key successes include: a remarkable committed group of caregivers and leaders providing services to residents and visitors; an outstanding Cardiac Arrest Case Management program; improved patient outcomes in the Specialty Care Systems; and providers meeting response time requirements. *Key challenges include:* an increasing number of complex mental health transports and limited availability of nearby placements; need to increase coordination efforts to link social and support services links between the EMS providers and patients; enhancing and broadening centralized and coordinated community outreach efforts with limited funding; and the limited scope of the Continuous Quality Improvement (CQI) Committee due to each agency conducting its own CQI reviews and LEMSA resources.

The LEMSA: Key successes include: medical directors engaged in clinical care; effective relationships with stakeholders; systems changes and improvements; and training and use of Automatic External Defibrillators in law enforcement. *Key challenges include:* outdated Advanced Life Support (ALS) Fire Department agreements; Fire Departments’ providing Basic Life Support services feel underrepresented; staffing limitations impact regulatory oversight capabilities; slow to implement change; and lack of central repository for public or provider complaints.

Ambulance Agreement: *Key success include*: AMR achieving an overall response compliance of 92.32% on 16,997 calls; maintained contractual financial obligations despite economic challenges; supported and partially funded implementation of new electronic patient care report system for all providers; and supported and partially funded dispatch upgrade. *Key challenges include*: the agreement's paramedic staffing requirement limits provider flexibility; contractual financial obligations to EMS System partners increase yearly at a rate that exceeds the rate of the ambulance patient collections; and AMR's staffing and recruitment strategies have not always kept pace with their attrition rate.

As a part of the EMS System Review, FITCH conducted a comprehensive Fiscal Review. They explored the current "value" of the EMS System and explored additional funding and/or revenue streams. The EMS System financial evaluation was conducted using AMR's audited financial documents and Santa Barbara County Fire Department's financial reports. FITCH reported that both providers charged a combined total of \$82M for ambulance transport, however only collected \$19.8M, or 24%. The collection rate was noted as reflective of other high performing EMS Systems in the US.

These findings, as well as a SWOT analysis of key EMS System elements, are highlighted in the attached presentation and detailed in the Phase 1 report.

Phase 2 & Phase 3

Phase 2 is a strategic plan to galvanize the strengths of the EMS Systems and address the challenges identified in Phase 1. Phase 3 is designed to provide the LEMSA a road map to implement the EMS System enhancements identified in Phase 2. The Phase 3 report will provide timelines, milestones and plans for implementing Phase 2 enhancements.

Prior to starting Phase 2, the LEMSA invited all stakeholders from Phase 1 to complete a survey, and rank the Phase 1 findings. Additionally, the Santa Barbara County Fire Chiefs' Association (SBCFCA) provided additional focal points. These items were provided to FITCH and incorporated into the four meetings. In April 2019, FITCH engaged a smaller group of EMS System stakeholders, which allowed for more focused discussions. Representatives from area hospitals, SBCFCA, AMR, CalStar and medical directors gave input about perceived gaps in the system and explored potential solutions in the following areas:

1. Impacts of Vulnerable & Aging Populations
 - a. Community Paramedicine
 - b. The Growth of the 65+ Age Cohort
 - c. Other Vulnerable Populations
2. Improvements to the Interfacility Transfer (IFT) System
3. Mitigation Options of Mental Health Patients on the EMS System
4. Develop EMS System Operational and Clinical Quality Improvement Metrics

A Phase 3 report will be included with the Phase 2 report, as FITCH will provide an implementation plan, timelines and milestones. This report is expected to be received by July 30, 2019.

Fourth Amendment to extend the terms of Professional Services Agreement with AMR

An extension to the current ambulance agreement is required to maintain consistent ambulance service in the County, while the EMS System enhancements are finalized and analyzed so that a recommendation may be made to your Board. The LEMSA will be presenting a recommendation to your Board later this year on whether to renegotiate with AMR, or conduct a competitive process through a Request for Proposal (RFP) for ambulance services. From that point, an extension may still be required.

The Public Health Department will negotiate the Fourth Amendment to extend the terms of Professional Services Agreement with AMR and return to your Board within 60 days to present the agreement.

Upcoming Recommendation to Board on Professional Services Agreement with AMR

Summer 2019

The Public Health Department will present a negotiated extension to the ambulance agreement, expiring on December 31, 2020.

The LEMSA will review the enhancements, looking to move forward with items that fall within Triple Aim framework: the patient experience, improving population health, and reducing costs. Given recent reports citing funding challenges to government insurers (about 75% of EMS calls are patients insured by Medicare and/or Medicaid), fiscal stability is a core component that will be reviewed with any system enhancement. An analysis of the EMS System enhancements will be completed to determine which are within the “manner and scope” of the EMS Plan.

Fall/Winter 2019

The LEMSA will then return to your Board in the fall to with a recommendation regarding the path to implementing EMS System enhancements, either through ambulance agreement renegotiation or through the competitive process of issuing a Request for Proposal (RFP) for ambulance services.

The LEMSA, as designated by the Board of Supervisors on March 5, 1984, is statutorily responsible for planning, evaluating, and implementing an EMS System. (Health & Saf. §§ 1797.200, 1797.204.) ALS service providers (providers utilizing paramedics) for the delivery of emergency medical care to the sick and injured must have a written agreement with the LEMSA. (Health & Saf. §§ 1791.206, 1797.218; 22 CCR § 100168(b)(4).) Additionally, the LEMSA has established an Exclusive Operating Area (EOA) 1 for ambulance service provided by AMR. (Health & Saf. § 1797.224.) A competitive process is not required for the continuous use of existing providers operating in the same manner and scope without interruption within an EOA. (Health & Saf. § 1797.224.) However, once a competitive process is implemented through a state approved local plan that competitive process must be held at periodic intervals. (*Id.*)

Fiscal and Facilities Impacts:

Budgeted: N/A

Fiscal Analysis:

There are no fiscal or facilities impacts to accepting this report and reviewing the recommendations.

Staffing Impacts:

<u>Legal Positions:</u>	<u>FTEs:</u>
0	0

Special Instructions:

Please email one (1) electronic Minute Order to phdcu@sbcphd.org.

Attachments:

- A. Fitch & Associates EMS System Review Phase 1 Report
- B. EMS System Review Presentation

Authored by:

Nicholas Clay, LEMSA Director