



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 10, 2022  
**Placement:** Departmental  
**Estimated Time:** 120 min  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors

**FROM:** Department Van Do-Reynoso MPH, PhD  
Director(s) Public Health Department  
Contact Info: Nick Clay (681-5264)  
Emergency Medical Services Agency Director

**SUBJECT:** Ambulance Service Contract Policy Resolution and Ambulance Services Update

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**County Counsel Concurrence**

As to form: Yes

Other Concurrence: N/A

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- a) Approve the attached Resolution (Attachment A) adopting a policy setting forth issues to be considered for inclusion in contracts for the provision of emergency ambulance services entered into or renewed on or after January 1, 2022;
- b) Approve and authorize issuance of the Request-For-Proposals (RFP) for an Exclusive Ambulance Services Provider for the Santa Barbara County Exclusive Operating Area;
- c) Authorize the Public Health Department to negotiate and return to the Board for approval of a Fifth Amendment to the Professional Services Agreement with American Medical Response West (AMR) extending the termination date to allow for completion of the Ambulance Services RFP process;
- d) Determine that the proposed actions do not constitute a "Project" within the meaning of California Environmental Quality Act (CEQA), pursuant to Section 15378(b) of the CEQA Guidelines, because it consists of the creation of a government funding mechanism or other government fiscal and administrative activities, which do not involve any commitment to any specific project which may result in a potentially significant impact on the environment.

**Summary Text:** Effective January 1, 2022, Health and Safety Code, Division 2.5, Section 1797.230 requires the County Board of Supervisors to adopt, by ordinance or resolution, a written policy setting forth issues to be considered for the inclusion in any County contract for emergency ambulance services entered into or renewed on or after January 1, 2022. In advance of the release of the Exclusive Ambulance Services Provider RFP (Ambulance RFP) and the short-term agreement extension with AMR, the Local Emergency Medical Services Agency (LEMSA) has developed a Resolution (Attachment A) for your Board's approval. In addition to the potential issues for consideration set forth in Health and Safety Code, LEMSAs has added the following considerations: disaster response requirements; a mechanism for cost recovery to LEMSAs; community outreach and education requirements; emergency takeover provisions in the event of a major breach; and workforce development requirements. These elements are contained in the Ambulance RFP (Attachment B) which received final approval from the California EMS Authority (CAEMSA) on May 3<sup>rd</sup> (Attachment C).

The Ambulance RFP is representative of changes in the EMS industry and the collective will of the County's EMS System participants. The EMS System Review in 2018 incorporated the feedback of over 60 EMS system participants representing every sector of the EMS System. As a result of that effort Fitch & Associates (FITCH) presented 23 system enhancements framed around enhancing the County's approach to the Triple Aim (enhance the patient experience; improve population health; and reduce costs). At the same time, EMS systems around the state were beginning to shift away from response time driven systems and towards clinically driven ambulance RFPs. Santa Barbara's Ambulance RFP incorporates many elements of the current system, such as maintaining response time compliance, while focusing on system initiatives such as mental health support and focusing on clinical performance.

The RFP timeline had pre-established buffers to allow for unexpected delays in the process. The ongoing and significant impact of the COVID-19 pandemic necessitated the redirection of LEMSAs staff to critical response functions such as leadership roles in the County's Unified Command, administering the County's testing strategies and the vaccination program, and providing other essential response functions. The Ambulance RFP development phase was impacted by this redirection of LEMSAs staff and a change in the Ambulance RFP Consultant firm. LEMSAs anticipates releasing the Ambulance RFP promptly once authorized by your Board.

The Ambulance Services RFP was initially scheduled to conclude in time to allow for a six-month "ramp-up" period and service delivery to start on January 1, 2023. LEMSAs staff reviewed numerous California Ambulance RFPs (Attachment D) to determine an appropriate service "ramp-up" period (from contract signing to service delivery start date). The average "ramp-up" period was approximately seven (7) months. This period allows for a potential new ambulance provider to hire and train staff, procure ambulances and other equipment, and establish other key infrastructure elements prior to the service delivery start date.

The current challenges surrounding the global supply chain have negatively impacted the production of ambulances. Ambulance manufacturers have reported that ambulance order-to-delivery timelines now average over 12 months. Some ambulance providers have recently indicated they could procure ambulances in eight (8) months, and in other cases even less time. As a result, LEMSAs has extended the "ramp-up" period to a total of 12-months.

The current agreement with AMR expires on December 31, 2022. In order to ensure ambulance service delivery on January 1, 2023, LEMSA is actively working with AMR to finalize a short-term extension to the current ambulance services agreement. The proposed “intent to award date” of the Ambulance RFP is August 24, 2022 with a proposed contract presentation date of November 1, 2022, and new contract (from the Ambulance RFP) start date of October 1, 2023. In the event a new provider is awarded the Ambulance RFP, the intent is to allow for a reasonable “ramp-up” period. LEMSA anticipates returning to your Board in June requesting your execution of a Fifth Amendment to the Professional Services Agreement with AMR with a multi-month extension, not to exceed 12-months.

**Background:**

*Ambulance Services RFP Timeline Overview*

On October 1, 2019 your Board directed LEMSA to conduct a competitive process to award an ambulance agreement. During that meeting, discussion occurred to ensure the process was open to all bidders, competitive, and transparent; and to develop an Ambulance RFP that enhanced the current level of service, yielded innovation, and remained cost effective. LEMSA initiated the Ambulance RFP process by creating an RFP Advisory Committee (RFPAC) to develop and select a Consultant to administer the Ambulance RFP and to provide policy level guidance on the Ambulance RFP. The RFPAC consists of the Public Health Director, Public Health Deputy Director, Behavioral Wellness Director and Assistant CEO. The Committee is staffed by LEMSA, County Counsel, County Chief Procurement Officer, County Risk Manager, and the RFP Consultant. The RFPAC will not be the body evaluating or scoring the Ambulance Services RFP. The review and scoring of the Ambulance RFP will be done by independent, non-interested parties selected by the RFPAC. Given the nature of the RFPAC, the Committee did not include any potential bidders.

- *March, 2020:* RFPAC met to develop Consultant RFP.
- *August, 2020:* Consultant RFP awarded to CityGate Associates, LLC (CityGate)
- *November, 2020:* Out of an abundance of caution, RFPAC recommended LEMSA terminate the agreement with CityGate, after a potential conflict of interest was identified. LEMSA contacted the next qualified bidder Fitch and Associates (FITCH)
- *January, 2021:* FITCH began working on the Ambulance RFP
- *November, 2021:* Draft Ambulance RFP was released for potential bidder comment
  - LEMSA received comments from various potential bidders, as well as the County Fire Chiefs’ Association.
- *December, 2021:* LEMSA sent a clarification request to the California EMS Authority (CAEMSA) regarding Exclusive Operating Area (EOA) boundaries.
- *January, 2022:* LEMSA received a response from CAEMSA
- *February, 2022:* LEMSA sent the Draft Ambulance RFP to CAEMSA
- *March, 2022:* LEMSA received feedback from CAEMSA
- *April, 2022:* LEMSA sent amended Ambulance RFP to CAEMSA
- *May 3, 2022:* LEMSA received CAEMSA approval of the Ambulance RFP

Upon receipt of your Board’s authorization, LEMSA plans to promptly release the Ambulance RFP on the County Purchasing website.

### *AMR Agreement Extension*

As described above, in the event that the RFP results in the award of a contract to a new ambulance service provider, the “ramp up” period allows the incoming provider to prepare for a successful launch on the required service delivery start date.

LEMSA is attempting to strike a balance by providing the shortest “ramp-up” period possible, while allowing for supply chain delays. This adjustment helps ensure the Ambulance RFP is competitive and viable for all potential bidders, while striving to maintain a stable EMS system. LEMSA is currently engaged in negotiations with AMR and anticipates returning to your Board in June, 2022 requesting your execution of the Fifth Amendment to the Professional Services Agreement with AMR.

In the event the Ambulance RFP timeline will extend beyond the end date of the current Agreement (or extended agreement) with AMR, LEMSA will need to secure emergency and non-emergency ambulance service delivery for the gap between the end of the agreement and the start of the new agreement resulting from the Ambulance RFP.

Scenarios that could create this gap:

- The Ambulance RFP process is challenged via legal proceeding(s)
- The Ambulance RFP process is delayed due to unforeseen circumstances
- Supply chain or other “ramp-up” challenges cannot be overcome within the “ramp-up” period
- The County and AMR are unable to execute an agreement to cover this gap
- There are no responsive bids to the Ambulance RFP
- The County and the winning bidder are unable to negotiate an agreement prior to the gap
- CAEMSA’s review of the resulting agreement is not completed in time

The responses to each one of these scenarios are directly impacted by the variability within each of these scenarios, such as, length of the gap, likely outcomes from legal proceedings, nature of the legal proceedings, nature of the unforeseen circumstances, and so on. LEMSA staff remain confident that by working with all our existing EMS System participants, we can ensure service delivery if any of the above (or other) scenarios occur.

### *Ambulance Services Contract Policy*

Pursuant to Health and Safety Code, Division 2.5, Section 1797.230, the County Board of Supervisors is required to adopt, by ordinance or resolution, a written policy setting forth issues to be considered for the inclusion in any County contract for emergency ambulance services entered into or renewed on or after January 1, 2022. LEMSA is presenting this policy to your Board in advance of the short-term extension of AMR’s existing agreement and the awarding of a new contract resulting from the Ambulance RFP. The Ambulance RFP and AMR’s current agreement currently address the issues set forth in the attached Resolution. The Resolution is intended to provide a broad framework for key considerations in ambulance service contracts that should not require significant alteration in future agreements. The policy elements presented allow for an ambulance services agreement that facilitates community access and education, provider safety and support, and clinical excellence. Additional policy elements provide considerations for: fiscally stability; disaster response; community outreach and education; and includes continued service delivery in the event of a major breach in the agreement by the provider.

### *Key Components of the Ambulance RFP*

Over the past five (5) years, ambulance RFPs in California have begun to shift from response time compliance driven agreements to clinical performance focused agreements. This shift is in-line with a national trend to focus on patient-centered metrics, such as clinical performance, as faster response times are not generally associated with better outcomes. This shift is also in-line with the County's intent to deliver an Ambulance RFP centered on the Triple Aim approach (patient experience, population health, and system cost). Additionally, LEMSA staff and FITCH utilized the 2018 EMS System Review to incorporate broad provider feedback and focus on system initiatives to be included in the Ambulance RFP. While the Ambulance RFP is focused on the Triple Aim, the document is centered around the LEMSA's three guiding principles: *Community Access & Education; Provider Safety & Support; Clinical Excellence.*

The RFP development was primarily done by LEMSA and FITCH, however the RFPAC directed all policy level decisions.

Some examples of policy decisions direction by the RFPAC:

#### Administrative Issues

- Ambulance RFP procedural timelines
- Ambulance RFP amendments as requested by CAEMSA
- Approving the financial requirements of the Proposers

#### Community Access & Education

- Defining the boundaries of a single EOA
- Validation of response time requirements
- Support for innovation in the medical health patient and interfacility transport systems
- Ensuring diversity, equity, and inclusion was included for the providers and patients

#### Provider Safety & Support

- Staffing requirements in the Ambulance RFP

#### Clinical Excellence

- Confirmation of the clinical standards set forth in the Ambulance RFP

As mentioned, LEMSA received a number of questions from potential bidders. These questions and their respective answers are attached (Attachment E).

The Ambulance RFP contains the following key components to address emergency and non-emergency ambulance services for the County Exclusive Operating Area:

#### Community Access & Education

- Solidifies 9-1-1 ambulance response times in urban areas to 9:59 (minutes: seconds)
  - Alignment with national standard
  - Alignment with how current system is configured
- Invites innovation from proposers in the areas of interfacility transport & mental health patients
- Enhances community outreach and education requirements
- Requires patient complaint hotline with response requirements

#### Provider Safety & Support

- Enhances Critical Incident Stress Management requirements for the Contractor

- Promotes job security for incumbent workforce, in the event of a new service provider
- Updates staffing and shift length requirements
- Standardizes training platform and requirements

#### Clinical Excellence

- Establishes clinical performance standards in line with National and State standards
- Establishes clinical performance financial credits and penalties
- Requires proposers to demonstrate evidence of cost neutral/cost limited clinical innovations
- Requires dedicated clinical personnel required and support for the LEMSA Medical Director and clinical research

#### *An Overview of the Focus on Clinical Excellence*

In support of value-based clinical excellence initiatives, LEMSA staff, in partnership with LEMSAs across the State, are working with an industry leader in the development of a “first-to-market” clinical compliance tool. This web-based platform will automatically review clinical patient record data evaluating it against defined criteria. Once evaluated, the Contractor will have an opportunity to review their compliance and request exemptions as needed. As this process and the tool are new, LEMSA expects to gradually introduce elements of this process with the launch of the Ambulance RFP.

The introduction of clinical financial penalties is aligned with current value-based initiatives implemented by major health insurers and designed to ensure a balanced approach in EMS System management. While a timely arrival of EMS professionals is important, the quality of care they provide is even more important. The clinical metrics being evaluated are ones that have a discernable impact on the patient’s outcome and are within the Contractor’s control. Clinically-driven financial incentives, combined with operational financial incentives and customer satisfaction reviews are intended to create a balanced improvement in the EMS System aligned with the Triple Aim approach (enhance the patient experience; improve population health; and reduce costs).

During the Potential Bidder Comment period, a concern was raised as to how the introduction of clinical financial penalties may result in the failure of a “Just Culture” environment. Just Culture is a widely used accountability framework deployed in healthcare, aviation, and other high-risk environments. It is designed to address organizational structures and aims to prevent “accidents waiting to happen”. The framework focuses on error reduction by managing three (3) main aspects of errors: behavioral choices; established safety systems; and a teaching/learning environment. These elements are all within the Contractor’s control as an organization. Financial penalties/benefits are an indicator of the Contractor’s ability to implement a Just Culture framework that holds individual providers accountable for behavioral choices, the organization accountable for maintaining safety systems, and holds the provider accountable for ensuring appropriate training is maintained.

#### *Response Time Extension*

The initial Draft RFP included language that expressly prohibited a sub-contract between the Contractor and fire agencies. The intent of this language was to remove the ability to extend the response time for the ambulance provider. A potential bidder expressed concern about this prohibition of sub-contracts with fire departments. As a result, LEMSA clarified the intent by amending the language in the Ambulance RFP. Sub-contracts will be allowed between the Contractor and fire departments, but the ability to prolong the ambulance response time as a result of these sub-contracts is prohibited.

*EMS System Enhancement Fund*

In the current ambulance agreement, EMS System enhancements are funded through an EMS provider’s budgeting process or through the funding provided by ambulance response time penalties. The intent of the Ambulance RFP is to reduce response time penalties by focusing on the Contractor’s clinical proficiency. As such, the expected outcome is a reduction in the collection of response time penalties. Given the intent to reduce EMS System costs, the LEMSA designed an EMS System enhancement fund to support clinical enhancements over the life of the resulting agreement.

**Performance Measure:**

N/A

**Fiscal and Facilities Impacts:**

Budgeted: N/A

**Fiscal Analysis:**

There is no Fiscal Impact associated with this update and request for policy direction. Pending direction from your Board, the department will return for approval of a Fifth Amendment to the Professional Services Agreement with American Medical Response West (AMR).

**Key Contract Risks:**

N/A

**Staffing Impacts:**

**Legal Positions:**  
0

**FTEs:**  
0

**Special Instructions:**

N/A

**Attachments:**

- A. Ambulance Service Policy Resolution
- B. Request for Proposal for Exclusive Ambulance Services Provider
- C. Letter of Approval from California Emergency Services Authority for RFP
- D. Review of Recent California Ambulance RFP “Ramp-Up” Timelines
- E. RFP Potential Bidder Questions
- F. Ambulance Service Contract Policy Resolution and Ambulance Services Update Presentation

**Authored by:**

Nick Clay, EMS Agency Director

**cc:**

Phung Loman, Chief Procurement Officer