

County of Santa Clara

Santa Clara Valley Health & Hospital System

Public Health



HHS03 042109


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DATE: April 21, 2009

TO: Board of Supervisors

FROM: 
Kim Roberts
SCVHHS - Chief Executive Officer

SUBJECT: Various Actions Related to Public Health Department Emergency Medical Services Agency

RECOMMENDED ACTION

Consider recommendations relating to Public Health Department Emergency Medical Services Agency.

Possible action:

- a. Approve Fourth Amendment to Agreement with American Medical Response-West relating to providing pre-hospital emergency medical care and transportation services, extending the term of the agreement for an additional two years for period July 1, 2009 through June 30, 2011 and revising certain provisions in the agreement in order to better clarify response time performance exemption reporting and review processing.
- b. Approve Request for Appropriation Modification No. 166 - \$110,000 transferring funds within the Public Health Department budget. (Roll Call Vote)

FISCAL IMPLICATIONS

There is no impact on the General Fund as a result of this action.

Under the current agreement, American Medical Response-West (AMR) pays the County a fixed amount of \$1,303,923 annually for dispatch services provided to AMR by County Communications inclusive of an annual increase of five percent (multiplied by AMR's collection rate for the prior calendar year) or by the percentage increase in the Consumer Price Index for the prior year, whichever is greater. AMR is compensated for providing ambulance transport services from funding it receives from billing and collections as permitted via the approved User Fee Schedule outlined in the agreement.

In addition, AMR pays approximately \$850,000 annually in fines and penalties for late responses. These funds are deposited into the EMS Trust Fund and used for EMS system enhancements and by the Public Health Department/EMS Agency to offset General Fund target reductions. The annual report on the EMS Fines & Penalties Trust Fund was submitted to the Health and Hospital Committee for its April 14, 2009 meeting.

CONTRACT HISTORY

In 1997, the Board of Supervisors directed the EMS Agency to conduct a competitive process for paramedic emergency ambulance services. Following an extensive public process, selection of a successful bidder and contract negotiation, the Board approved a new master services agreement with AMR at its September 25, 2001 meeting for the period October 1, 2001 through June 30, 2006.

On March 11, 2003, the Board approved the First Amendment revising areas identified as "hard to serve." On January 25, 2005, the Board approved the Second Amendment adjusting the User Fee Schedule and revising Code 2 compliance standards. On May 2, 2006, the Board approved the Third Amendment which extended the term for an additional three year period through June 30, 2009 and modified certain contractual requirements including: clinical and quality improvement activities; clarification of the responsibilities of subcontractors related to quality improvement programs, employee performance, and complaint records; and the increased amount of funding paid annually to County Communications for dispatch services.

Due to the length of the documents, the master services agreement and prior three amendments are on file with the Clerk of the Board of Supervisors.

On June 6, 2008, AMR forwarded a letter of petition (Attachment A - AMR Extension Request) to the Board of Supervisors via the EMS Agency requesting approval of a final two-year contract extension, as allowed in the agreement. If the request is approved, the contract will be extended through June 30, 2011.

In addition to establishing performance standards and payment provisions, the master services agreement provided authority for AMR to enter into and maintain subcontracts with public agencies (cities) within the County for the provision of specified services. AMR subcontracts with nine fire service agencies to provide First Responder services.

REASONS FOR RECOMMENDATION

On April 14, 2009, the Health and Hospital Committee accepted a report from the Public Health Department on the EMS Best Practices and RFP development projects and forwarded a positive recommendation to the Board of Supervisors with respect to the requested appropriation modification to cover costs of the projects and approval of the Fourth Amendment to the AMR agreement.

In addition to approval of the agreement extension, the Fourth Amendment will also make a technical modification to align the contract with existing EMS Agency policies regarding response time performance exemption reporting and review processing. Specifically, the modification would bring the contract up to date with current EMS policies and practices, striking reference to requiring city managers to review exemption requests monthly.

The requested appropriation modification will allow for the transfer of \$110,000 from the EMS Fines and Penalty Trust Fund to the Public Health Department budget for the purpose of covering costs in the EMS Agency associated with securing the services of one or more qualified consultants and other services and supplies (including travel) associated with the EMS Best Practices and RFP development projects. Given that these projects will straddle two fiscal years, a certain amount of funding may have to be rolled over into FY10, depending upon the availability of the selected vendor/s and the schedule of deliverables.

BACKGROUND

The Santa Clara County EMS Agency is responsible for coordinating EMS activities, planning for future system improvements, providing medical control and oversight, and monitoring system performance.

The master services agreement between the County of Santa Clara and AMR for Pre-Hospital Emergency Medical Care and Transport Services includes performance standards for response times - both per call and overall performance. These standards include an 8-minute emergency (Code 3) response time for paramedic non-transport units in metro areas and a 12-minute response time for transport (ambulance) units, with associated penalties for under-performance. The contract and sub-contracts for First Responder services also identify circumstances under which a response exceeding the established performance criteria may be excused. Such circumstances, referred to as "good cause exemptions" are limited to those instances where it can be demonstrated that unusual factors beyond the contractor/ sub-contractor's reasonable control resulted in an excessive response time (such as severe weather conditions or incorrect location information). There are generally a total of 10-15 exemption requests per month submitted by AMR and its subcontractors (approximately 2 per 1,000 responses). These requests are reviewed quarterly by an Exemption Review Panel composed of a city manager and other stakeholders.

Late penalties are referenced in Section VI (Non-Compliance Penalties) of the master services agreement with American Medical Response -West. As stated in this section of the agreement, "Penalty monies shall be expended in a manner that benefits the EMS system as determined in the sole discretion of the County. The Contract Administrator will seek recommendations from the EMS Advisory Committee prior to making a recommendation to the Executive Director of SCVHHS, who shall make the final determination. Except in circumstances when the EMS system is presented with actual or reasonably projected substantial financial hardship, County shall expend fifty (50%) of the Subcontractor penalty monies on programs, services, or equipment which assist or benefit the First Responder Program."

"EMS Best Practices" is the title of a project that will review best practices in the area of prehospital and ambulance transport services as well as performance and patient outcomes in the existing system in Santa Clara County. The Best Practices project is intended to allow for a review of EMS system performance in Santa Clara County over the last eight years, and determine what has worked well and what can be improved upon. The results and findings of Best Practices will be used to develop the RFP for future service provision within the Santa Clara County Exclusive Operating Area (EOA). The EOA includes all areas of the County and all its political subdivisions except for the City of Palo Alto.

The State EMS Authority, in published guidance, recommends that all EOA's competitively bid for services every ten years or less. If approved by the Board of Supervisors, the final two-year extension of AMR's contract will extend the contract to the recommended maximum 10 year term.

CONSEQUENCES OF NEGATIVE ACTION

Failure to approve the recommended actions may impact the County's ability to ensure the provision of pre-hospital emergency medical care and transportation services beyond June 30, 2009.

STEPS FOLLOWING APPROVAL

Return executed Fourth Amendment to SCVHHS Administration.

ATTACHMENTS

- Attachment A - AMR Extension Request (Letter of Petition)
- AMR Fourth Amendment
- EMS F&P Trust Fund Transfer Appropriation Modification