

City Council Meeting: March 22, 2016
Agenda Item: 3.L

To: Mayor and City Council
From: Dennis Downs, Interim Fire Chief, Fire Department
Subject: Second Modification to Contract to Provide Emergency Ambulance and Billing Services

Recommended Action

Staff recommends that the City Council authorize the City Manager to negotiate and execute a second modification to Contract No. 9438 (CCS) with Ameri-Care Ambulance, a California-based company, to provide emergency ambulance and billing services. This will result in a six year amended contract at no cost to the City.

Executive Summary

On July 26, 2011 Council approved Contract No. 9438 (CCS) with Ameri-Care to provide emergency ambulance and billing services for a three-year term beginning August 4, 2011. On July 22, 2014 Council approved a first amendment to Contract No. 9438 (CCS) with Ameri-Care to extend the terms of the contract until July 31, 2016. The City currently uses Ameri-Care as its ambulance provider and ambulance related billing services. This second modification to the agreement is to extend services for a one-year term. Ameri-Care's compensation is based on a share of the fee received from the patient rather than a direct payment from the City. Anticipated revenue generated by fees collected by Ameri-Care on behalf of the Santa Monica Fire Department have been included in the FY 2015-16 Budget in the amount of \$823,438.

Discussion

The City has utilized an emergency ambulance and billing service company since 2004 to provide billing services for the Fire Department for the expenses associated with Emergency Medical Services provided by Fire Department paramedics in connection with the response, assessment, treatment and/or transportation of members of the public. Charges are assessed based on the Advanced Life Support Assessment Fee adopted by Council on June 15, 2004 and the Skilled Nursing Facility fee adopted on June 23, 2015. The Advanced Life Support Assessment Fee is established by the Los Angeles County Emergency Services Agency General Public Ambulance Rates; the fee

is currently \$1,561.00. The City receives approximately \$548.25 in revenue per advanced life support transport based on the current fee structure. The current Skilled Nursing Facility fee is currently \$902.17.

The Fire Department responds to nearly 12,000 emergency medical calls annually and calls for patient transport have increased 5% as compared to the previous year; Ameri-Care transports approximately 7,200 patients annually. The Fire Department's response model includes six paramedic engine companies and other support units deployed as needed, including four rescue ambulances which are mainly used for special events. Contracted Ameri-Care emergency ambulances are used to transport patients on behalf of the Fire Department with Santa Monica Fire Department paramedics on-board to provide patient treatment in the ambulance while enroute to a medical facility.

Ameri-Care has successfully provided ambulance services for the past five years. Staff recommends extending their term for an additional one-year of service while the Department undergoes a cost/revenue analysis of all options available for the delivery of Fire Department-based emergency medical services including the current delivery system and practices. There are significant opportunities for rethinking our current models for service delivery and funding. The next Santa Monica Fire Chief will lead the collaborative interdepartmental exploration of the best options for presentation to the City Council.

Contractor Selection

In May 2011, the City issued a Requests for Proposals (RFP) for an emergency ambulance and billing services. The RFP was posted on the City's on-line bidding site, and notices were advertised in the Santa Monica Daily Press in accordance with City Charter and Municipal Code provisions. In addition, the notice was disseminated to 16 licensed ambulance companies in Los Angeles County. Five Los Angeles County ambulance providers submitted proposals. Proposals were evaluated on price, response capabilities, commitment to purchase property in Santa Monica to locate an ambulance station, redundant dispatch and operation system, and an ability to provide

real-time vehicle location services. After a thorough review, the selection committee recommended Ameri-Care as the best bidder based on the evaluation criteria.

Financial Impacts & Budget Actions

There is no immediate budget or financial impact related to this staff report. Ameri-Care's compensation is based on a share of the fee received from the patient rather than a direct payment from the City. Anticipated Fire Department revenue generated by fees collected by Ameri-Care on behalf of the department have been included in the FY2015-16 Budget in the amount of \$823,438.

Prepared By: Terese Toomey, Principal Administrative Analyst

Approved


Dennis J. Downs, Interim Fire Chief 3/10/2016

Forwarded to Council


Rick Cole, City Manager 3/15/2016

Reference:

Modified Contract

No. 9438

(CCS)