



City Council Report

City Council Meeting: June 28, 2016
Agenda Item: 3.I

To: Mayor and City Council
From: Bill Walker, Fire Chief, Fire Department
Subject: Third 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 third 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, 2015 with an additional one-year extension through July 31, 2016. On March 22, 2016 Council approved the second amendment to the Ameri-Care contract extending the term for another year. Upon further review, it was determined that a second modification was already processed under the terms of the first modification which allowed for an additional one-year extension through July 2016. This third modification to the agreement is to align the modification with Council approved action for an extension of services for a one-year term until July 31, 2017. Ameri-Care's compensation is based on billing for transported patient services. Ameri-Care also generates a separate bill for City services, resulting in anticipated cost-recovery of \$908,025, as reflected in the FY 2016-17 Budget.

Discussion

The City has utilized an emergency ambulance and billing service company since 2004 to provide emergency medical transport and billing services for the response, assessment, treatment and/or transportation of members of the public by Fire Department paramedics. 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 15, 2010. The Advanced Life Support Assessment Fee is the difference between the Los Angeles County approved Advanced Life Support ("ALS")

rate (\$1,561) and the Los Angeles County approved Basic Life Support (“BLS”) rate (\$1,012.75) as set forth in the most current Los Angeles County General Public and Ambulance Rates Schedule. On the City’s behalf, Ameri-Care bills approximately \$548.25 per transport based on the current fee structure, excepting Medi-Cal and Medicare patients. Ameri-Care also bills the Skilled Nursing Facility fee on behalf of the City, the 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 during an advanced life support transport to provide patient treatment in the ambulance while enroute to a medical facility.

The City currently uses Ameri-Care as its ambulance provider and ambulance related billing services. 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 newly appointed Fire Chief will lead the collaborative interdepartmental exploration of the best options for presentation to the City Council.

Vendor/Consultant Selection

In May 2011, the City issued a Request 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 and Budget Actions

There is no immediate budget or financial impact related to this staff report. Ameri-Care's compensation is based on billing for transported patient services. Ameri-Care also generates a separate bill for City services, resulting in anticipated cost-recovery of \$908,025, as reflected in the FY 2016-17 Budget.

Prepared By: Laura Brown, Admin Analyst (Fire)

Approved

Forwarded to Council

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Bill Walker, Fire Chief

6/14/2016

A handwritten signature in dark ink, appearing to read "Rick Cole", written over a horizontal line.

Rick Cole, City Manager

6/19/2016