



AGENDA _____ **October 9, 2007**

AGENCY ADMIN. & FINANCE
1000 San Leandro Blvd, Suite 300
San Leandro, CA 94077
Tel: (510) 618-3452
Fax: (510) 351-1367

October 2, 2007

The Honorable Board of Supervisors
County Administration Building
1221 Oak Street
Oakland, CA 94612

Dear Board Members:

SUBJECT: Approval of user fee adjustments to Ambulance Provider Agreement Amendments with the City of Albany, City of Berkeley, City of Piedmont, and American Medical Response (AMR) for Public Health Department, Emergency Medical Services (EMS).

RECOMMENDATION:

In order to maintain the current comprehensive quality emergency medical ambulance services, it is recommended that your Board approve and execute the Ambulance Provider Agreement Amendment to implement user fee changes effective October 9, 2007 changing from a line item to a bundled base fee (as described in Table 2) between Alameda County and:

1. American Medical Response (Principal: Louis Meyer, Chief Executive Officer; Location: Livermore, CA),
2. City of Albany
3. City of Berkeley
4. City of Piedmont

There are no changes in the contract terms of July 1, 1999 through October 31, 2009.

SUMMARY/DISCUSSION/FINDINGS

EMS, a division of the Public Health Department under the Health Care Services Agency, is the Local EMS Agency (LEMSA) designated to plan, implement, and evaluate the local Emergency Medical Services System of Alameda County. Each designated LEMSA is charged with implementing statutes, regulations and local policies for the local EMS system. Alameda County EMS is responsible for the procurement of emergency ambulance services

that includes contracts with American Medical Response and the cities of Alameda, Albany, Berkeley, and Piedmont for Advanced Life Support (911 Emergency) Services.

As a part of those contracts the County is responsible for setting and approving any fees/user charges that are applicable to all contracted departments. The fee schedule for ambulance use charges has not been increased since July 2004. EMS brought representatives from the four city fire departments and AMR together to discuss an increase to the fees. In the past, EMS has allowed fees to be charged for ambulance transportation, oxygen, mileage, and a line-item list of supplies and equipment. (see: Current User Fee Schedule – Table 1).

A recent change in the way Kaiser pays for ambulance transportation for its members who have Medicare has drastically changed. Until recently, Kaiser paid the full rate for their Medicare members; Kaiser now pays at the Medicare reimbursement rate, which is lower than the full rate, for these patients. In addition, Medicare also implemented a reduced payment schedule this year. It is projected that AMR will lose approximately \$5.4 million per year due to Medicare and Kaiser/Medicare payment schedules.

In an effort to set a fee that is fair and equitable, and to facilitate contract auditing procedures, EMS and the transport providers agreed to a “bundled” fee schedule that would increase the ambulance transportation base rate but eliminate the line-item charges for supplies and equipment (See Table 1 for current charges). In addition, an increase to the fees charged for mileage and oxygen was also agreed upon.

The bundled base rate will go from \$930.00 to \$1,260.00, the Basic Life Support or BLS base rate of \$599.00 will be eliminated, mileage charge will go from \$20.00 to \$29.00 per mile, and oxygen will go from \$59.51 to \$95.00 (see: Proposed User Fee Schedule – Table 2). In addition, the line-item charges in Table 1 will be eliminated.

In addition, a new fee, called “Treat, Non-Transport,” was added to allow the providers to charge for services rendered to a patient who subsequently declines transportation. This can happen when the condition for which the patient called 911 is resolved by the paramedic in the field (e.g.: a diabetic patient with a low blood sugar who receives dextrose, achieves a normal blood sugar level and then declines transportation to a hospital.) The current contract does not allow the providers to charge anything to the patient for the services rendered. The “Treat, Non-transport” rate is proposed at \$350.00.

The proposed bundled rate is a relatively new concept in California but is becoming a trend nationally, according to our consultant at Fitch and Associates, who has reviewed this proposal and agreed with the concept.

SELECTION CRITERIA AND PROCESS:

In December 1998, the Alameda County General Services Agency (GSA) worked with EMS and issued a Request for Interest (RFI) for the Advanced Life Support Services. Only two organizations responded to the RFI. AMR was the only qualified vendor that responded. They were awarded the contract as a sole-source vendor for the advanced life support delivery system except for the cities of Alameda, Albany, Berkeley, and Piedmont.

FINANCING:

Approval of the proposed fee structure has no impact on the net County cost, or the EMS budget. This fee increase will impact the ambulance service providers' ability to recoup costs and will change how service users are billed.

Respectfully Submitted,

David Kears
Director, Health Care Services Agency

cc: Patrick O'Connell, Auditor-Controller
Richard E. Winnie, County Counsel
Susan Muranishi, County Administrator
bcc: Michael King, Director, EMS

Table 1: Current User Fee schedule*

**ALAMEDA COUNTY 911 SYSTEM
CONTRACTOR'S USER FEES AND LINE ITEM CHARGES**

Effective Date July 1, 2004

ALS Base Emergency	\$930.40		
BLS Base Emergency	\$599.00		
Mileage/mile	\$20.00		
Oxygen	\$59.51		
<u>Line-Item Charges:</u>		EPI 1:10,000 1 mg	\$17.61
12 Lead EKG	\$0.00	Extra Attendant	\$49.91
Activated Charcoal	\$35.00	Glucagon	\$95.00
Adenosine	\$78.82	Glucose	\$12.91
Airway - Nasal	\$6.98	Glucometer Test Supplies	\$1.60
Airway - Oral	\$6.98	Head Bed	\$18.00
Albuterol (with Nebulizer)	\$35.00	Intraosseous Needle	\$12.91
Amiodarone	\$35.00	Intubation Supplies	\$8.81
Aspirin	\$5.00	IV Catheter	\$9.55
Atropine	\$15.23	IV Start Kit	\$11.58
Atrovent	\$16.00	Lasix	\$17.61
Bag Valve Mask	\$45.76	Lidocaine 2%	\$18.11
Bandages - Triangular	\$5.84	Mask (pocket)	\$17.61
Bed Pan	\$2.88	Midazolam	\$16.00
Benadryl	\$11.74	Morphine	\$14.60
Blanket Disposable	\$14.09	Multi-drip IV Tubing	\$18.80
Blood Draw Tube / Needle	\$23.70	Narcan	\$17.61
Blood Set	\$18.80	Nebulizer	\$22.50
Burn Sheet	\$21.12	Nitroglycerin spray	\$21.63
Calcium Chloride	\$16.08	Normal Saline IV solution 1L	\$17.61
Cervical Collar	\$24.00	Normal Saline 1L Bottle	\$12.00
Cold / Hot Pack	\$11.74	OB Pack	\$59.41
Combitube (Adult & Small)	\$82.00	P.T.V. Kit	\$32.85
CPAP Mask and Tube (includes generator)	\$95.00	Pleural Decompression Kit	\$32.85
D5W IV solution	\$17.61	Pulse Oximetry Sensor	\$35.00
Dextrose 25%	\$21.14	Sodium Bicarb	\$17.61
Dextrose 50%	\$21.14	Spinal Immobilization	\$47.50
Dopamine	\$17.61	Splint - Arm (disposable)	\$12.00
Dressing - Major	\$6.79	Splint - Leg (disposable)	\$12.00
EKG Electrodes	\$28.75	Sterile Water normal saline	\$12.00
EKG Monitor	\$78.82	Suction Tube / Tip Supply	\$19.10
End Tidal CO ₂ Detector	\$32.85	Valium	\$15.87
EPI 1:1000 1mg/1cc	\$17.61	Universal Precautions	\$13.49
		Urinal	\$2.88

*Line-item charges will be eliminated under the new schedule

Table 2: Proposed User Fee Schedule

**ALAMEDA COUNTY 911 SYSTEM
CONTRACTOR'S USER FEES**

Effective Date: October 1, 2007
Revised 10/11/07

Bundled Base Rate	\$1,260.00
Mileage/mile	\$29.00
Oxygen	\$95.00
Treat, Non-transport rate	\$350.00