



County of Santa Cruz

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HEALTH SERVICES AGENCY

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HEALTH SERVICES AGENCY ADMINISTRATION

May 17, 2001

Agenda: June 26, 2001

Board of Supervisors
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

RE: Approval for Emergency Medical Services Planning

Dear Board Members:

In 1997, your Board approved a contract for ambulance services with American Medical Response West (AMRW) for a five-year term. This contract was amended November 16, 1999, to revise language dealing with excess revenues, and on June 12, 2001, to change to an accrual basis of accounting, align the contract year and the fiscal year of the contractor, and enhance the training program. The amended contract will expire August 31, 2003. The purpose of this letter is to inform you of current and proposed planning efforts, and to recommend the hiring of a contractor to aid HSA staff in the development of a Request For Proposals and bid process.

Planning Efforts:

In April 2000, HSA and the Emergency Medical Services Integration Authority (EMSIA) co-sponsored an EMS Forum which began the process of discussing possibilities of the county's EMS system. Following the Forum, HSA staff conducted a community survey about EMS priorities which identified a number of issues regarding response times, cost, quality, and design of the medical emergency response system.

This year, HSA staff has worked with members of the Emergency Medical Care Commission and others to review the current contract, with a review of what in the contract is working well from a service perspective, and what is not. That review will be completed in June 2001. Additionally, HSA solicited possible interest in bidding for an ambulance services contract in Santa Cruz among members of the American Ambulance Association membership in California, Nevada, and Arizona. There were six responses to the Request For Interest, including one from the current contractor.

This summer, HSA plans to sponsor a series of "visioning" meetings with participation of fire services, hospitals, medical providers, interested potential contractors, consumers, and policy makers to redesign the system and to recognize the contribution to the system of engine-based paramedics in many of the county's most populated fire districts. Clear goals for system will be developed and changes in the environment discussed. During this year, the EMSIA and AMRW have had a series of meetings to discuss the integration of fire services into the EMS response system. The visioning process, with involvement of many more individuals and organizations, can build upon what has been done to date in order to design a more efficient system. A second EMS Forum is scheduled for October 10, 2001. During this Forum, a "snapshot" of the system as it exists currently will be presented, and the results of the visioning process will be shared with the broader community in attendance in order to gain their response.

Policy Issues:

Policy options for a new ambulance contract include renegotiating a contract with our current provider, AMRW, amending and restructuring the current contract with additions including extension of the contract into the future, or going out to bid. AMRW has been in uninterrupted service in Santa Cruz County from 1978 to the present (formerly as Santa Cruz Ambulance and PACMED) and meets the state requirements for non-competitive or "grandfathering" under Health and Safety Code Section 1797.85. As a service provider, AMRW has been an asset to the county's EMS system. They have provided high quality services, and are a valuable member of the EMS "team". Although HSA has not asked AMRW if they would agree to renegotiate a contract with the county to continue service beyond the current contract, we believe they would like to do so.

A provision of the current contract allows the EMSIA to put forward an amendment to the current contract, formally integrating fire services into the contract. If that were to be done, such an amendment could include an extension on the life of the contract and a system redesign. Although EMSIA and AMRW have been discussing coordination of the use of system-wide EMS resources, and possible economies of scale in purchasing, training and integrated career pathways, a proposal for a formal amendment has not been made.

The third option is to put the contract out to bid. The County has never put the ambulance contract out to bid, and does not know what other providers of ambulance services may offer in terms of services and costs. It may be possible to secure a new provider who will give better service at current cost, or equal service at lower cost. While it seems prudent to put the contract to bid, the bid process in the complex EMS industry is lengthy and expensive, and is complicated by the plans of the Health Care Financing Administration to lower reimbursement for ambulance services to Medicare recipients. In short, there is no way to predetermine what response the County may get to a Request For Proposals, even with the positive response to the Request For Interest mentioned in the section on planning (above). Even with these uncertainties, it is HSA's recommendation to the Board that staff be directed to prepare for a bid process. The process has taken 18 to 24 months in other jurisdictions, and the current contract expires in 26 months.

HSA has begun discussions with an EMS consultant, Diane Akers, to develop a process for an RFP with goals and objectives, timelines for a bid process, bid selection and proposed implementation. Ms. Akers is the former EMS Administrator in Alameda County, and has developed RFP's and bid processes. She enjoys a very good reputation as an EMS consultant, and has the focus of the county clearly in mind. She will spend some time in Santa Cruz in

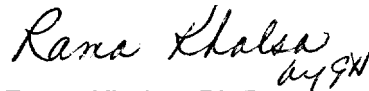
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June, and it is anticipated that HSA will return to your Board with a specific proposal to have her work on behalf of the County in developing an RFP and bid process.

It is therefore **RECOMMENDED** that your Board:

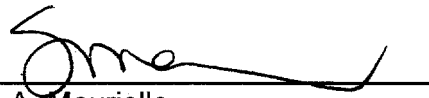
1. Direct the Health Services Agency to proceed with the EMS planning process including development of an RFP and to negotiate a contract with Ms. Akers for professional assistance with the RFP development; and
2. Direct HSA to return to the Board with a report on progress on the EMS planning process on October 23, 2001.

Sincerely,



Rama Khalsa, Ph.D.
Administrator: Health Services Agency

RECOMMENDED:



Susan A. Mauriello
County Administrative Officer

cc: County Administrative Office
County Counsel
Auditor-Controller
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