



Board Agenda Item 32

DATE: August 23, 2022

TO: Board of Supervisors

SUBMITTED BY: David Luchini, RN, PHN, Director, Department of Public Health

SUBJECT: Third Amendment to the Agreement with K.W.P.H. Enterprises, Inc., d.b.a. American Ambulance

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute Third Amendment to Agreement with K.W.P.H. Enterprises, Inc., d.b.a. American Ambulance to authorize an increase in maximum allowable user fee rates, with no change to the term of January 1, 2018 through December 31, 2027, or compensation maximum of \$9,035,155.

On June 13, 2022, American Ambulance submitted a written request to the EMS Agency Director requesting an increase to maximum allowable user fees with the justification of increasing wages for EMTs, Advanced EMTs, and paramedics. The proposed represents an increase of approximately 24%; however, the result will only be an approximately 7.9% increase in actual revenue because nearly 90% of patients transported by American Ambulance have fixed rates under Medi-Cal or Medicare, which will not increase under the recommended action. The County's agreement with American Ambulance requires that the Board of Supervisors approve any user fee adjustments proposed by American Ambulance. There is no Net County Cost associated with the recommended action. This item is countywide.

ALTERNATIVE ACTION(S):

There is no viable alternative action. Should your Board not approve the recommended action, American Ambulance will not be able to remain competitive for wages for EMTs and Paramedics .

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. The proposed Amendment only changes the user fees that American Ambulance is allowed to bill a patient. American Ambulance does not receive a subsidy from the County for the provision of ambulance services and is only funded through its user fees. Under the Agreement, the County compensates American Ambulance approximately \$50,000 annually for transport of Fresno County Jail and Fresno County Juvenile Justice Campus inmates and patients eligible from the County's Medical Indigent Services Program with 1991 Health Realignment funds, which will not be impacted by the user fee adjustment. Sufficient appropriations and estimated revenues are included in the Department's Org 5620 FY 2022-23 Recommended Budget and will be included in subsequent budget requests for the duration of the contract term.

DISCUSSION:

On May 16, 2017, the County entered into an exclusive operating agreement No. 17-218 with K.W.P.H. Enterprises, Inc., d.b.a. American Ambulance, for the provision of emergency ambulance services. The

Agreement contains specific performance requirements for ambulance and dispatch services, including response times, dispatch center operations, and public education and training.

On October 20, 2020, the County executed the first amendment to the EMS Provider Agreement with American Ambulance for the relocation of the emergency services dispatching and dispatcher training operations, as well as to make clarifying revisions to the existing EMS Provider Agreement relating to the integration of the operation of the new EMS Communications Center.

On June 8, 2021, the County executed the second amendment to the EMS Provider Agreement with American Ambulance to extend the agreement for an additional five-year term from January 1, 2023 through December 31, 2027, and to allow American Ambulance to implement an Emergency Medical Technician training program.

On June 13, 2022, American Ambulance submitted a written request to EMS Agency Director requesting an increase to maximum allowable user fees with the justification of increasing wages for EMTs, Advanced EMTs, and paramedics. Since the beginning of the COVID pandemic, the healthcare systems, including ambulance services, have been impacted by a significant shortage of workers entering the healthcare industry. Locally, hospitals, ambulance providers, and small public safety agencies are struggling to recruit and retain employees. American Ambulance, as well as most ambulance providers in the valley, are seeking user fee adjustments in an effort to recruit new employees, increase employee retention and maintain a competitive pay scale.

While American Ambulance's proposed user fee represents an increase of approximately 24%, the result will only be an approximately 7.9% increase in actual revenue because nearly 90% of patients transported by American Ambulance have fixed rates under Medi-Cal or Medicare, which will not increase under the recommended action. Patients with private insurance will be most impacted by the increase.

This is the first user fee increase that American Ambulance has requested since the ambulance agreement was implemented on January 1, 2018. The ambulance agreement will expire on December 31, 2027.

REFERENCE MATERIAL:

BAI #34, June 8, 2021
BAI #34, October 20, 2020
BAI #14, May 16, 2017

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Third Amendment to Agreement with American Ambulance
On file with Clerk - Fee Rate Increase Request

CAO ANALYST:

Ron Alexander