

July 26, 2022

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, CA 93009

Subject: Approval of, and Authorization for the Health Care Agency Director or Designee to Secure Services of a Consultant and to Initiate a Request for Proposal Process for an Exclusive Emergency Ground Ambulance Transport and Related Medical Services Provider to begin on or after July 1, 2024; Adoption of a Resolution Setting Forth a Written Policy for Issues to be Considered for Inclusion in County Contracts for the Provision of Emergency Ambulance Services in Ventura County Effective January 1, 2022.

Recommendations:

It is recommended that your Board:

1. Approve, and authorize the Health Care Agency Director or designee to secure services of a consultant and to initiate a competitive request for proposal (RFP) process for the provision of exclusive emergency ground ambulance transport and related medical services on or after July 1, 2024.
2. Adopt the attached Resolution (Exhibit 1) setting forth a written policy for issues to be considered for inclusion in County contracts for the provision of emergency ambulance services effective January 1, 2022.

Fiscal/Mandates Impact:

Mandatory: Yes

Authority: Health and Safety Code Sections 1797 et seq.

Source of Funding: Medi-Cal, Medicare, Private Insurance, Self-Pay

Funding Match Required: None

Impact on Other Departments: None

Summary of Revenues and Costs:

	<u>FY 2022-23*</u>	<u>FY 2023-24*</u>
Revenue:	\$ -0-	\$ -0-
Costs:		
Direct	\$ -0-	\$ -0-
Indirect-Dept.	\$ -0-	\$ -0-
Total Costs	\$ -0-	\$ -0-
Net Costs	\$ -0-	\$ -0-

*Expenditures and Revenue associated with these contracts are incurred directly by the ambulance providers and will not impact the Ventura County Emergency Medical Services Agency (Ventura County EMS).

FY2022-23 Budget:

FY 2022-2023 Adopted Budget for HCA Emergency Medical Services Division 3090				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated Savings/(Deficit)
Appropriations	\$5,791,984	\$5,791,983	\$5,791,983	\$0
Revenue	\$4,859,228	\$4,859,228	\$4,859,228	\$0
Net Cost	\$ 932,756	\$ 932,756	\$ 932,756	\$0

Executive Summary:

The Ventura County Emergency Medical Services Agency (Ventura County EMS), a division of the Health Care Agency (HCA) and Public Health Department, oversees the provision of ambulance services for the entire County. Ventura County has seven (7) exclusive operating areas (EOAs), which are geographic boundaries that determine which contracted ambulance providers respond to which areas. Contracted ambulances are currently provided by American Medical Response (AMR) Ambulance Service and Gold Coast Ambulance, an AMR affiliate. The term of the current contracts is July 1, 2021 to June 30, 2024.

Health and Safety Code, Section 1797.230 requires your Board to adopt, by ordinance or resolution, a written policy setting forth issues to be considered for inclusion in any County contract for emergency ambulance services entered into, or renewed, on or after January 1, 2022. With the current ambulance provider contracts set to expire on June 30, 2024, HCA has developed a Resolution (Exhibit 1) for your Board's consideration and approval in order to comply with the new requirement in Health and Safety Code section 1797.230(c).

After thorough evaluation, HCA is recommending that prospective contracts for emergency ground ambulance transport and related medical services be awarded through a competitive bidding process. As such, HCA is requesting approval to secure a

consultant to assist with formulating the draft and scope of the appropriate RFP which may include redefining the EOAs and structure of service delivery. The goal is to conduct a successful RFP which will select a contractor to provide emergency ground ambulance service upon the expiration of the current contracts, effective July 1, 2024. It is projected that the RFP process will take up to one year, and that the RFP would be released to begin soliciting bids in summer 2023. The goal would be to select a vendor by early 2024 in order to begin transition of services. Current contracts may be extended as necessary, after July 1, 2024, depending on the length of time needed for any necessary transition of services. EMS will strategize for any necessary transition planning during this period. Continuity of services and quality of care will remain the priority for Ventura County EMS. Therefore, it is recommended that the search to identify a consultant begin immediately upon approval of the recommendations outlined in this Board letter.

Background:

The California Emergency Medical Services Authority provides and coordinates oversight of emergency ambulance transport and medical care through local EMS agencies, also referred to as LEMSAs. Ventura County EMS serves as the LEMSA for Ventura County. Ventura County EMS has contracted with private ambulance companies for prehospital emergency medical care and transportation continuously since 1971. In 1980, the California Legislature enacted the "Emergency Medical Services [EMS] System and Prehospital Emergency Medical Care Personnel Act" (EMS Act), Health and Safety Code Section 1797 et seq. and, in 1982, the County adopted its EMS Plan pursuant to the EMS Act.

The current ambulance providers deliver services at both the basic life support (BLS) and advanced life support (ALS) levels. BLS ambulances, staffed with two California certified emergency medical technicians, are generally used for non-emergency interfacility transports. ALS ambulances are staffed with at least one California licensed paramedic and are contracted to respond to all 911 ambulance requests. The current ambulance providers have been "grandfathered" into EOAs pursuant to Health and Safety Code Section 1797.224. This "grandfather" section provides that no competitive bidding process is required if the LEMSA continues the use of existing providers operating in the manner and scope in which the services have been provided without interruption since January 1, 1981. The "grandfather" provision also requires that the EOAs be kept in the same scope and manner of services, unless an RFP is conducted. The current providers of ambulance services are Gold Coast Ambulance, which serves the Cities of Ojai, Oxnard, and Port Hueneme and the surrounding unincorporated areas, and AMR, which serves the remaining cities and unincorporated areas of Ventura County. These contracts have been renegotiated throughout the years to ensure that contractor performance is achieved to maintain delivery of quality care to our system's patients.

On March 23, 2021, your Board approved agreements with the current providers through June 30, 2024, with the option for two one-year extensions. These agreements maintained the grandfathered providers serving the seven (7) existing EOAs and called for expanded services via the daily deployment of four additional peak-period ALS

ambulances. At that time, the County Executive Office (CEO) also recommended that a long-term strategy for ambulance services be evaluated and presented to your Board by Summer 2022. The recommendations set forth in this letter are in response to that evaluation.

Subsequent to the contract approvals on March 23, 2021, LifeLine Medical Transport was purchased by Gold Coast Ambulance. On May 11, 2021, your Board authorized the assignments of the LifeLine Medical Transport contracts to Gold Coast Ambulance effective May 31, 2021.

Discussion:

Over the past several years, the structure of ambulance delivery system models has been under review and discussion throughout the State and across the nation. Counties have recognized the volatile nature associated with these delivery systems such as equipment, staffing, and the rising cost of healthcare for our aging population. While collection rates vary countywide, the estimated payor mix for Ventura County is 55% private insurance, 41% Medicare/Medi-Cal and 4% self-pay. Additionally, the ongoing COVID-19 pandemic emergency has continued to cause severe challenges for the ambulance industry, including supply chain issues impacting durable medical equipment, ambulance chassis availability and skilled labor shortages.

Since the 1970s, Ventura County has contracted with private ambulance companies (i.e. LifeLine Medical Transport, Gold Coast Ambulance, and AMR), known as the Contracted Model. Historically, this has been the predominant model used throughout the State. However, the landscape of ambulance delivery systems is dynamic and evolving across the nation. There is a broad range of how other counties throughout California are approaching this issue. For example, Contra Costa County shifted from a Contracted Model to an Alliance Model in 2016. In an Alliance Model, a fire agency provides the services, in whole or in part, through a written subcontract with a private ambulance service. The Contra Costa County EMS Agency now holds a prime contract with the Contra Costa County Fire Protection District (ConFire), which in turn holds a unique contract for a public-private partnership with the ambulance service provider. As also recommended in this letter, Santa Barbara County recently elected to commence an RFP for services.

In 2019, Ventura County EMS initiated a countywide EMS system assessment, primarily in response to the changing business of emergency medical transport services. This assessment included input from local stakeholders, and a comprehensive assessment conducted by Page, Wolfberg & Wirth (PWW), a nationally recognized legal and consulting firm specializing in the EMS industry. The PWW report recommended continuation of the grandfathered ambulance contracts as our current system was viewed as excellent and the statewide ambulance market was characterized as unstable. However, since the report was issued, paramedic staffing shortages have caused a significant strain on the current ambulance system.

Ventura County EMS has maintained successful partnerships with our local private ambulance providers for over four decades. Nonetheless, the ambulance industry has changed rapidly in recent years. Despite meeting the contracted response time requirements, the ambulance providers have been unable to maintain the desired number of contracted ALS ambulances due to an increasing shortage of licensed paramedic personnel, largely caused by the ongoing effects of the COVID-19 pandemic. After a comprehensive evaluation by CEO and HCA staff, and discussions with key stakeholders, it is recommended that the County transition away from the "grandfathered" practice of maintaining contracts with the current ambulance providers when the current contracts expire on June 30, 2024. We believe an RFP for prospective ambulance services will offer a fair and competitive process by which to solicit vendor(s) for a clearly defined scope of work with measurable goals and deliverables for the County's ambulance transport system. It will also promote transparency and accountability in selecting vendor(s) who can demonstrate practices of good governance and providing quality patient care, to align with the County's mission of serving our community equitably. It is recommended that a consultant be identified to conduct the RFP due to the specialized complexity and scale of services, as well as the time commitment that is needed. It is projected that the RFP process may take up to one (1) year. The goal is to complete the RFP, award and establish new contract(s), and strategize for any necessary transition planning prior to July 1, 2024. Ventura County EMS will work closely with all stakeholders during this potential time of transition to ensure continuity of operations and quality of care, and will return to your Board for input and approval as needed.

Conclusion

In summary, it is recommended that contracts for emergency ground ambulance transport and related medical services be awarded through a competitive bidding process. HCA is requesting authorization and approval to initiate an RFP process using a consultant to assist with formulating and drafting the scope of the RFP, to evaluate the exclusive operating area(s) which may include redefining the EOA's and structure and service of delivery, and to select a contractor to provide emergency ground ambulance service once the current contracts expire. It is also recommended that your Board approve the attached Resolution setting forth a policy for issues to be considered for inclusion in County contracts for the provision of emergency ambulance services effective January 1, 2022.

This letter has been reviewed by County Counsel, the Auditor-Controller's Office, and County Executive Office. If you have any questions regarding this item, please call Steve Carroll at (805) 981-5305.


RIGOBERTO VARGAS
Public Health Director
BARRY ZIMMERMAN
Health Care Agency Director

Resolution—Resolution of Intention