Background

On September 14, 1995, the Board of Supervisors of Riverside County, State of California, enacted County Ordinance 756 to be consistent with the California Health and Safety (H&S) Code Sections 1797.100 – 1797.226 (Emergency Medical Services and Prehospital Emergency Medical Services Act). In accordance with these Codes, the County designated the Emergency Medical Services (EMS) Agency, a Division of the County Health Department as administrator of the emergency medical services program.

On August 25, 1998, the County of Riverside entered into a contract with American Medical Response (AMR) for prehospital emergency medical services; referred to as Advanced Life Support (ALS) emergency ambulance services. The contractor is authorized to utilize Basic Life Support (BLS) ambulances where appropriate. The five-year contract began September 1, 1998 and ends June 30, 2003. It is subject to a renewal provision of two three-year extensions by mutual consent.

The contract authorizes seven exclusive operating areas within the County for ALS emergency ambulance services. These areas are referred to as zones: the Northwest, Southwest, Central, San Jacinto Valley, Mountain Plateau, Pass, and Desert. The zones contain cities, unincorporated areas, and remote rural areas with sparse populations.

Contractor performance is based upon response time. The response-time clock starts when the contractor dispatch personnel receive a call with a verifiable address and stops when the ambulance attendant reports arrival at the address.

The contract imposes obligations upon the County and the Contractor. It provides for penalties in the form of fines for performance below contract specifications and monetary credits for performance above specified levels.
Findings

1. Three options available prior to the expiration of the contract are:
   ♦ Activate the first of the two three-year extensions
   ♦ Renegotiate the terms of the contract with AMR
   ♦ Give notice of intent not to renew and publish a Request for Proposal (RFP) for a new contract.

2. The Riverside County EMS Agency Protocol, Policy and Procedure Manual places the responsibility to “conduct disaster planning and coordination” upon EMS.

3. The contract, page 4, paragraph 1.3, requires the County to incorporate the operation of the Contractor as an exclusive emergency ambulance provider into the County’s ALS, disaster planning programs, and trauma systems. The office of the Riverside County Fire Department was not included in the development of this contract.

4. The Riverside County Fire Department, Emergency Service Division (ESD), Office of Emergency Services is responsible for coordinating the emergency preparedness and disaster recovery plan. The exclusion of other ambulance providers and fire departments will adversely impact ESD’s ability to meet its responsibilities.

5. Response-time zones were established when the contract was first authorized. There continues to be population changes within certain Exclusive Operating Areas resulting in expanded urbanized areas. This impacts upon present response time requirements and the staging of ambulances within these zones.

6. Required response times are divided into three categories for code 3 requests (“Obligations of Contractor” – Schedules A and E):
   ♦ 10-minute response-time zone: city and urban areas
   ♦ 14-minute response-time zone: rural areas
   ♦ 20-minute response-time zone: more rural (remote) areas
7. The contractor is required to meet all response-time criteria 90% of the time within each of the seven exclusive operating areas (zones) and overall for all the seven zones. The contractor is assessed a fine for each individual call where response time is not met, even though the average response time for the zone is met or exceeded.

8. The contractor pays the EMS Agency response-time fines of approximately $500,000 annually, and are distributed as follows: 20% to EMS Agency for contract administration, 80% to Riverside County Fire Department and the cities where the fines occurred.

9. The contractor also reimburses the Riverside County EMS Agency approximately $495,000 annually for dispatch services and database management. The funds are managed by EMS and are adjusted annually commensurate with the contractor’s net increase.

10. Ambulance service rate adjustments may be reviewed annually, or upon request from the contractor. Any increases awarded are calculated on the basis of the Consumer Price Index (CPI), the collection rate as reported by the contractor, and any extraordinary contractor expenses. The EMS Agency reimbursement is increased at the same percentage rate.

11. The EMS Agency Director, as contract administrator, may approve any net increase up to 5% and has discretionary control of the contract elements. Net increases greater than 5% must be approved by the Board of Supervisors.

12. There have been no reported audits of the money transactions between the contractor and the EMS Agency over the term of the contract.

13. Each Exclusive Operating Area has an EMS administrative group (contract, Schedule E, 1) to monitor contract performance and make recommendations to the EMS Agency for improvements to the system. These reports or recommendations are not forwarded to the Board of Supervisors for review or action.

14. In many cases the first responder to a 911 medical emergency is a fire department unit containing a firefighter/paramedic. The firefighter/paramedic stabilizes the patient who is then released to the arriving ambulance for continued care and transport to a treatment/trauma facility.
15. The contract authorizes the use of a BLS ambulance to transport persons who, as a result of a mental disorder, are a danger to themselves or others, or are gravely disabled as defined in California Welfare and Institutions Code §5150. These persons are referred to as “5150” patients.

16. In their memorandum dated November 30, 2001, EMS authorized additional ALS service providers throughout the county from which mutual aid may be arranged and backup provided.

**Recommendations**

Riverside County Board of Supervisors  
Riverside County Community Health Agency EMS Director  
Riverside County Fire Department

1. Board of Supervisors renegotiate the existing AMR contract.

2. Riverside County Fire Chief or his designee be included in any ambulance contract renegotiation process.

3. Board of Supervisors review all ambulance rate adjustments prior to approval.

4. Increases in reimbursement rates to EMS be based upon their justifiable increased cost of administering the contract. Contractor’s operating costs, fines, or reimbursement rate should not be factored in.

5. EMS and Contractor review population changes annually and restructure response time areas appropriately.

6. Increase ambulance response times based upon the effectiveness of the first responder firefighter/paramedic in an effort to minimize contractor performance fines.

7. EMS delete the word “exclusive” from page 4, paragraph 1.3 of the current contract regarding disaster planning and management.

8. EMS include the Riverside County Fire Department, Emergency Services Division in their disaster coordination responsibilities.
9. The EMS Agency report at least annually, to the Board of Supervisors, all recommendations made by the EMS Administrative Group and related actions proposed or taken. The annual report to include an independent CPA financial audit of ambulance contract transactions.

10. The subject of prehospital management of "5150" patients be restudied in any renegotiation of the contract. The contractor be required to utilize a BLS ambulance or other cost-effective forms of transportation for those patients.