

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS
Study Session Worksheet

Presentation Date: 10/08/2013 **Approx Start Time:** 1:30 PM **Approx Length:** 1 hour

Presentation Title: Proposed Contract for Emergency Ambulance Services

Department: Health, Housing and Human Services

Presenters: Cindy Becker, Rich Swift, David Anderson

Other Invitees: Lane Miller, Larry MacDaniels, Stephen Madkour

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

We are requesting Board review of the proposed contract for emergency ambulance services in the Clackamas Ambulance Service Area of Clackamas County.

EXECUTIVE SUMMARY:

In order to promote innovation and efficiency, and to provide clinically excellent, professional, ambulance services, Clackamas County issued a request for proposals (RFP) for an exclusive franchise for emergency ambulance services in the Clackamas Ambulance Service Area. American Medical Response Northwest, Inc. (AMR) submitted a responsive proposal, and the Selection Committee - comprised of independent industry experts - reviewed that proposal according to the process defined in the RFP. The Selection Committee found that the proposal was responsive to the County's need as stated in the RFP, and met the County's goals to improve service and lower costs. The Selection Committee recommended that the County enter into contract negotiations with AMR. Negotiations have been conducted and both parties have tentatively agreed to the terms of the attached proposed contract.

FINANCIAL IMPLICATIONS (current year and ongoing):

The emergency ambulance transport system in the Clackamas ASA is funded entirely by user fees and medical insurance/Medicare payments. No County general funds are involved.

This proposed contract has an approved rate, the amount a transported patient is charged, of \$997.00, and mileage rate of \$21.33, which includes the annual franchise fee. This is a reduction of 19% from the current rate of \$1,235.74 with a mileage rate of \$21.71.

The proposed contract permits an annual rate adjustment based on the consumer price index (CPI).

LEGAL/POLICY REQUIREMENTS:

The County is proceeding as set forth in its Ambulance Service Plan, which was approved by the Oregon Health Authority pursuant to ORS Chapter 682 and is set forth in Chapter 10.01 of the County Code.

PUBLIC/GOVERNMENTAL PARTICIPATION:

The following timelines summarizes actions over the past 19 months:

- | | |
|-------------------|---|
| February 8, 2012 | Ambulance Service Plan, which provides foundation for RFP requirements, available for public comment. EMS Council played active role. |
| February 29, 2012 | Board approved amendment to AMR contract to extend the term of the contract to May 1, 2014. |
| July 12, 2012 | Board adopted revised Ambulance Service Plan (County Code 10.01). |
| August 15, 2012 | Board of County Commissioners reaffirmed their commitment to a competitive RFP process, directed staff to conduct a phased approach for RFP development, approved changes to proposed timeline moving the selection date to June 2013 and reaffirmed the proposed transition date of 05/01/2014. |
| October 23, 2012 | Board confirmed an initial contract term of five years with (1) an "evergreen" (continual) structure based on meeting performance metrics and (2) price at 20% of the total evaluation score. |
| November 1, 2012 | Draft RFP available for public comment until November 21, 2012. |
| December 4, 2012 | Comments sent to Board. Board directed staff to establish points available for price at 20% of the total evaluation score and to require \$1.5 million as amount of performance security. Board directed staff to review and revise scoring for innovative proposals, protection of incumbent workforce and evergreen renewal provisions of contract. |
| December 6, 2012 | Board directed staff to provide a strike out version of the RFP showing changes made to scoring for price, accreditation, evergreen structure of contract, treatment of incumbent workers and innovation. |
| December 11, 2012 | Board approved evergreen contract structure and scoring for innovation and directed staff to revise scoring for protection of incumbent workers and quality standards. |
| December 18, 2012 | Board reviewed scoring for protection of incumbent workers and quality standards. The Board also recommended waiting for the new Board before finalizing the RFP. |
| January 22, 2013 | Board approved issuing the RFP |
| February 6, 2013 | RFP issued. |
| May 30, 2013 | Notice of Intent to Award to AMR issued. |

Public comment can be received once the proposed contract is placed on the business meeting agenda of the Board of County Commissioners.

OPTIONS:

1. Move proposed contract to BCC Business Meeting for approval.
2. Direct staff to continue negotiations.
3. Direct staff to proceed in another fashion.

RECOMMENDATION:

We recommend that the Board move the proposed contract to a Business Meeting for approval. The contract has been negotiated based on the responsive proposal submitted by American Medical Response. Moreover, the implementation date for this contract is May 1, 2014 and the proposer needs sufficient time to prepare for implementation. Delay in approving the contract may delay full implementation.

ATTACHMENTS: (Due to document size the proposed contract and proposal are available at the purchasing web site).

1. Summary of development process and significant components of new contract
2. Proposed contract for emergency ambulance services - website
3. AMR Proposal - website

SUBMITTED BY:

Division Director/Head Approval _____
Department Director/Head Approval R. Smith
County Administrator Approval _____

For information on this issue or copies of attachments, please contact Larry MacDaniels@
503-655-8256

Emergency Ambulance Services Contract

Overview

Clackamas County issued a request for proposals (RFP) for emergency ambulance services in the Clackamas Ambulance Service Area on February 6, 2013. Four potential proposers attended the mandatory pre-bid conference on February 28, 2013. One proposal, from American Medical Response Northwest, Inc. (AMR), was submitted prior to deadline of 4:00 PM, April 24, 2013. The Board of County Commissioners authorized evaluation of the proposal and it was sent to the Evaluation Committee May 1, 2013.

The Evaluation Committee met May 22, 2013, to discuss and score proposals in compliance with criteria set forth in RFP. The scores were compiled by the County Purchasing Manager with the following results: rank 1, AMR, 1711.4 points of 2080 available. The Evaluation Committee unanimously found that the proposal was responsive and prepared in anticipation of competition. They recommended County issue a Notice of Intent to Award.

Notice of Intent to Award was issued May 30, 2013, after consultation with Board. The County entered into negotiations with AMR and both parties have agreed to the terms of the proposed contract.

The following documents are incorporated into this contract:

- Applicable Federal and State statutes, laws, rules and regulations;
- The Ambulance Contract;
- Chapter 10.01 of the Clackamas County Code and any other applicable County ordinances; the County's Request for Proposals dated February 6, 2013; and
- The response submitted by Contractor dated April 24, 2013, to the County's Request for Proposal dated February 6, 2013.

Attachments to the proposed contract include a contingent lease agreement for ambulances, equipment and supplies (under review), a memorandum of understanding (MOU) for system innovation, and subcontracts with Tualatin Valley Fire and Rescue and Lake Oswego Fire Department (under review).

Significant changes from last Contract:

- Urban Zone:
 - New Contract expands urban zone – areas of Happy Valley and Oregon City added in revised Ambulance Service Plan
- Response Time:
 - Contains response time requirements for all 9-1-1 calls.

- Contract Terms:
 - Old Contract – Contained initial term of 7 years with up to 5 years in extensions
 - New Contract – Contains an initial term of 5 years with possibility of earning 1 year extensions each year (“evergreen” provisions), and established criteria for earning extensions. The Board may refuse to grant extensions if significant changes deemed to be in the public interest cannot be negotiated with the contractor.
- Subcontracts:
 - New Contract contains subcontract agreements with Lake Oswego Fire Department and Tualatin Fire and Rescue
- Innovation:
 - Contains Planned innovation in system data collection and evaluation
- Rates:
 - Old Contract – Contained approved rates: \$1,235.74 base rate and \$21.71 per mile
 - Base rate includes franchise fee of \$366,136
 - New Contract – Contains approved rates: \$997.00 base rate and \$21.33 per mile
 - Base rate includes franchise fee of \$373,500 (2% increase)
- Required annual reviewed statements signed by corporate officer:
 - This method used in existing contract. Reviewed by Clackamas County audit manager and deemed acceptable. Signature of corporate officer required; audited reports may be requested by County and will be provided without charge.
- Lockbox not required:
 - Complete data available more accurately by other methods included in the contract
- Annual CPI:
 - Increased from 5.0% to 5.5%. Interest rate environments have changed.
- Maximum Average Bill Replaced with approved rate:
 - To avoid possible rate changes during a contract year.
- Examples of system innovation that have been offered in Attachment C: Memorandum of Understanding for System Innovation or the contract include:
 - A program to integrate public education efforts with those of the public fire agencies coordinated with the larger healthcare messages that exist in the region.
 - A data interface with the County that captures all ambulance data and allows first responders to integrate their data into a single data set kept with the County
 - Strategies such as community paramedics, alternate transport destination, and alternate responses in conjunction with public fire agencies and public health

SUMMARY OF SIGNIFICANT COMPONENTS OF NEW CONTRACT

- **Effective May 1, 2014**

1. SERVICES AND TERM

Contractor shall provide 100 percent, 24 hour per day coverage for all requests for emergency ambulance services, as County's exclusive franchisee for emergency ambulance services within the Clackamas Ambulance Service Area as set forth in this contract, for a term of five (5) years commencing May 1, 2014 and terminating at midnight on May 1, 2019.

Contractor will have the opportunity to earn one-year extensions. To earn each extension, the Contractor must meet or exceed the minimum requirements of the contract during the previous contract year.

The criteria used by County to evaluate any request for contract extension are:

1. Contractor has met or exceeded the response time reliability requirements of the contract and,
2. The Medical Director certifies that the contractor has met or exceeded all clinical provisions of the contract during the year being evaluated, and,
3. The County verifies that Contractor has met or exceeded the financial requirements of the contract, and
4. The County verifies that Contractor has submitted all required reports and data in a timely manner.

An isolated lapse in compliance with a contract requirement does not mandate a decision that Contractor failed to meet the criteria for the purpose of evaluating an extension. The County reserves the right, in its sole and independent discretion, to deem Contractor's performance as meeting criteria for an extension for that contract year.

The Board of County Commissioners may determine that significant changes in the EMS system design or the scope and/or performance requirements of the contract are in the public interest. Should this occur, the County will notify the contractor and attempt to negotiate the required changes in the contract. If the appropriate changes cannot be agreed upon within a reasonable amount of time, as determined by the Board of County Commissioners, the County may, notwithstanding any other provision of this contract, refuse to grant further extensions of the contract term.

5. RESPONSE TIME REQUIREMENTS

The Contractor must operate the ambulance service system so as to achieve 90% response time compliance in each Zone every month, measured for Priority 1, Priority 2 and Priority 3 calls.

Contractor is not required to meet Region compliance standards in those Regions which are served by a Participating Provider.

Response time requirements applicable to the 90% compliance standard are set forth in the following tables for Priority 1, 2 and 3 calls:

Priority	Urban / ALS 1 st Response	Suburban / ALS 1 st Response	Rural	Frontier
1	8:00 / 10:00**	12:00 / 15:00**	25:00	2:00:00
2	12:00 / 15:00**	15:00 / 20:00**	30:00	2:00:00
3	20:00	25:00	35:00	2:00:00

The County does not require the use of lights and siren for any call. Contractor is responsible for determining whether or not lights and sirens are to be used for any particular call or priority.

Contractor will provide Clackamas County EMS with a dedicated server, and replicate EMS call response data for Clackamas County calls to that server in intervals the County desires.

6. MEDICAL FIRST RESPONDERS - INTEGRATION AND SUPPORT

The County will offer contractual agreements to Participating Providers to provide medical first response services within portions of the Clackamas ASA. These agreements would implement the Urban and Suburban Coordinated Zone response time standards, which replace the Urban and Suburban Zone standards where applicable.

Contractor's proposal identifies the cost savings associated with the reduction of staffed ambulance units based on a reduction in response time requirements (see table in section 5.E.) as \$363,737.00 per annum (the "Cost Savings"). Cost Savings realized by the implementation of Participating Provider agreements will be shared among the various participants in the EMS system in proportions determined by the County.

In the current contract, 60% of the cost savings are paid to participating fire agencies, 15% is retained by the contractor, 5% are available to the contractor for reimbursement for transport of patients unable to pay, and 20% are directed to the system enhancement fund. Current cost savings are \$857,574 annually.

Contractor must reimburse first responders for medical supplies and medication utilized by first responders in direct patient care, when the patient is transported.

Contractor must offer fire agencies in the County direct access to their on-line ordering system and must also provide fire agencies access to its nationwide contracts for equipment.

Contractor will provide Automatic Vehicle Locator/Global Positioning System/Mobile Data Computers. Contractor will install the same capability in all fire department medic units (ambulances) including Canby and Molalla Fire.

Contractor's electronic patient care records combine data from the CAD, Contractor field crews, other first responders, and hospitals, all of which are sent to the data warehouse for integration into a single electronic patient care record.

9. DISPATCH

Contractor's communications systems, including radios and other future communications system components, will fully interface with the radio and telephone systems within the County.

Contractor will maintain a two-way CAD-to-CAD interface between Contractor, C-COM and Lake Oswego Communications Center (LOCOM) utilizing the Portland Dispatch Center Consortium (PDCC) Enterprise Service Bus (ESB).

Contractor will equip all ambulances with AVL and Mobile Data Computers (MDC) with Global Positioning Satellite (GPS) mapping.

Contractor shall use the Medical Priority Dispatch System protocols authorized by the County.

Contractor agrees to provide CPR and CPR Instructor training to Contractor and County dispatchers and call takers at no cost to County by the end of the first contract year or other mutually agreed upon date.

Contractor's dispatch office will be staffed only by persons holding certification issued by the National Academies of Emergency Dispatch.

Contractor will actively participate with the Clackamas Communications Center's Quality Improvement Program for Emergency Medical Dispatch. Contractor will also participate in quality improvement programs at Lake Oswego Communications and Washington County Consolidated Communications Agency as requested.

Contractor will maintain Contractor's communication center as an Accredited Center of Excellence through the National Academy of Emergency Medical Dispatch.

Contractor will offer to assist C-COM, LOCOM and WCCCA to achieve NAED accreditation as described in their proposal, and will provide up to \$7,500 to pay for the cost of applications to the National Academy for accreditation.

10. VEHICLES, EQUIPMENT AND COVERAGE

During the first year of this contract, Contractor will place into service in the Clackamas ASA a fleet of new vehicles including three (3) new Type-1 four-wheel-drive ambulances and up to eighteen (18) new Type-3 ambulances. The number of ambulances provided may be reduced, subject to County approval, if contracts are in place with participating providers to extend ambulance response time requirements. **Contractor will purchase the chassis for all of these new ambulances from a business located in Clackamas County.**

12. PATIENT FEES (RATES)

Patient fees (rates), for the first year of the contract, will be no greater than the amounts shown below in the "Approved Rate" column:

	BASE RATE	FRANCHISE FEE ADJUSTED FOR COLLECTION RATE	APPROVED RATE
BLS Non-emergency	901.31	\$ 96.16	\$ 997.00
BLS Emergency	901.31	\$ 96.16	\$ 997.00
ALS-1 Non-emergency	901.31	\$ 96.16	\$ 997.00
ALS-1 Emergency	901.31	\$ 96.16	\$ 997.00
ALS-2	901.31	\$ 96.16	\$ 997.00
Mileage (per patient-loaded mile)	\$21.33		\$21.33

Rate Adjustment.

Contractor acknowledges that County has the authority to determine rates for services provided under this contract and has exercised that authority by establishing the maximum rates shown above. The rates shown above shall remain in force and effect throughout the term of this contract unless modified or adjusted pursuant to the provisions of this contract.

The maximum rates chargeable by Contractor under this contract will be adjusted annually by an adjusted CPI on the first four anniversaries after contract implementation, starting one year after contract implementation.

The County may require or allow changes that reduce or increase rates if there have been any of the following circumstances since the last rate adjustment 1) substantial changes in required operational performance, 2) substantial changes in Medicare or Medicaid reimbursement rates, or 3) substantial changes in market conditions. "Substantial change in market conditions" includes circumstances where the change in the consumer price index as adjusted for collection rates from government payers exceeds the cap on annual rate adjustments for two or more years.

Decisions to require or allow adjustments due to substantial changes by will be entirely at County's discretion.

14. PUBLIC RELATIONS AND EDUCATION

Contractor will develop and implement community programs aimed at safety awareness and injury and illness prevention. Contractor will coordinate these programs with other public agencies.

Contractor will continue its Reach and Treat (RAT) Program for responses to known injuries and illnesses in an alpine or wilderness environment. Contractor will also continue to support active search and rescue missions at the request of the Clackamas County Sheriff's Office, based on availability, but its Reach and Treat Team shall remain available to respond to other calls (i.e., in an in-service status).

Contractor will continue its River Safety Program.

15. AUDIT

Contractor agrees to provide to the County reviewed financial reports, signed by a corporate officer, which are specific to its Clackamas County operations, and are prepared by an independent certified public accountant or certified public accounting firm in accordance with generally accepted accounting principles.

If the County requests audited financial statements specific to Contractor's operations in Clackamas County, Contractor agrees to provide those without charge to the County.

The County shall have the right to access and inspect the books and records of Contractor's Clackamas operations without notice, but shall not unreasonably interrupt Contractor's business operations.

16. FRANCHISE FEES

Contractor shall pay a fee of \$93,375 to County every three months during the term of this Agreement in order to fund the costs of supervising and administering the ambulance service area. This fee will be adjusted annually by the percentage change in the CPI (CPI-U, U.S. Cities Average, annual change March to March), or as otherwise determined by the County.

17. QUALITY CONTROL

The County has the right to inspect patient care reports for purposes of maintaining and ensuring quality of medical care in the Clackamas ambulance service system.

Contractor agrees to provide an electronic patient care reporting system. Contractor agrees with County that data contained in such system shall be available for the County quality assurance program.

Contractor shall assign a person to function as Contractor's liaison to the Medical Director.

Contractor shall implement a comprehensive quality improvement program which meets the County's specifications and that includes, at a minimum, medical dispatch personnel, ambulance personnel and fire agency personnel.

Contractor will develop a survey mechanism(s) to rate the patient's experience with their care. The survey will be conducted annually or at other intervals approved by the County.

19. HUMAN RESOURCES

Contractor shall continue to employ full-time employees with benefits, to include compensation, medical and dental coverage, retirement plan, life insurance, accidental death and dismemberment insurance, paid time off, leaves of absence, employee assistance program, critical incident stress management, uniforms, training, and health and safety programs. County recognizes that the make-up of compensation and benefits levels are based on collective bargaining agreements and may change periodically.

23. EQUIPMENT AND VEHICLE SUBLEASE AGREEMENTS

In order for the County to exercise "step-in-rights" under the terms of this Contract, Contractor will maintain a contingent Lease Agreement.

Ambulances regularly dedicated to the Clackamas County 9-1-1 system status plan, together with equipment and supplies regularly contained in them, will remain free and clear of all liens, encumbrances, claims, or interests of any nature, except those in favor of Clackamas County.

24. MUTUAL AID

Contractor must establish reasonable and effective mutual aid agreements with surrounding municipalities, corporations or other entities, provided, however, any mutual aid providers must provide substantially medically equivalent services and each agreement is approved by the County prior to execution. Contractor will call the mutual aid provider that can supply an ambulance to the necessary location in, potentially, the least amount of time. Contractor may request an exception for long response times directly resulting from providing mutual aid. Clackamas ambulances shall not be dispatched on mutual aid responses if doing so would substantially compromise the Contractor's ability to provide emergency services within the County.

26. MEDICAL DIRECTION

Contractor agrees to adhere to rules for operation, patient treatment protocols, telephone protocols, dispatch protocols and other protocols, policies and/or procedures both currently in force and subsequently promulgated by the County. Contractor agrees to train and certify personnel, and implement medical innovations required by the County. Contractor agrees to respond in a timely manner to requests for reports and other inquiries made by the County.

Contractor will reserve \$80,000 annually for non-mandatory clinical upgrades. Any unused amount will accrue from year to year.

Contractor will provide a Clackamas County Clinical and Education Services Specialist/Training Officer, a Quality Improvement Coordinator, and a Clinical Data Analyst, to support the County EMS Medical Director.

30. DISASTER ASSISTANCE AND RESPONSE

The contractor shall be actively involved in planning for and responding to any declared disaster in the County.

31. PERFORMANCE SECURITY

Contractor will provide performance security by providing the County with an irrevocable letter of credit in a form satisfactory to the County. The amount of the letter of credit will be one million five hundred thousand dollars (\$1,500,000.00)