

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Staff Presentation Worksheet

Presentation Date: December 20, 2011 Time: 10:30 am Length: 30 minutes

Presentation Title: Request for Amendment to Contract with American Medical
Response Northwest to Increase Mileage Rate

Department: Health, Housing and Human Services

Presenters: Cindy Becker, Larry MacDaniels

POLICY QUESTION

Does the Board agree to amend the contract with American Medical Response Northwest to increase the mileage rate?

ISSUE & BACKGROUND

Representatives of American Medical Response Northwest (AMR) met with staff in December 2010 and August 2011 to present information about the financial condition of the AMR emergency ambulance operation in Clackamas County. One of the issues raised was the mileage rate they can charge.

AMR received annual increases in rates and mileage of 6% in 2007, 2008, 2009 and 2010, as set forth in the franchise contract, and a 4% increase in rates and mileage in 2011 based on the Consumer Price Index. The franchise contract provides that the contractor may request the County to permit an adjustment to the rates in the event of circumstances beyond the contractor's control which cause substantial unforeseen increases in costs, or where there have been changes in health care legislation which affect payment for ambulance and life support services. Fuel costs have risen by more than twice the amount covered in the allowed increases for mileage. The allowed increase for mileage has been 31.3% while the cost per gallon of fuel has risen 65.9% from \$2.32 to \$3.85.

To offset continued losses, AMR is requesting an increase in the mileage rate from \$17.33 to \$21.33 per patient-loaded mile (an increase of \$4.00 per mile) to offset fuel costs and changes in Medicare reimbursement. This issue was brought before the October EMS Counsel meeting where there was unanimous support.

Area mileage charges:

AMR Multnomah County	\$21.89
Molalla Fire District	\$20.00
Woodburn Ambulance	\$20.00
Canby Fire District	\$20.00
AMR Clark County, WA	\$12.01
Metro West Ambulance	\$11.07

If approved, this change is projected to increase AMR's revenue by approximately \$68,000 annually.

