

# CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Sitting/Acting as Board of Health

## Policy Session Worksheet

**Presentation Date:** 12/17/2024 **Approx. Start Time:** 11:30am **Approx. Length:** 60 mins.

**Presentation Title:** American Medical Response (AMR) Contract Update

**Department:** Health, Housing and Human Services / Public Health Division

**Presenters:** Rodney Cook, H3S Director

### **WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?**

This policy session is for the Board of County Commissioners to receive an update on performance-based contract negotiations for ambulance services with American Medical Response Northwest (AMR NW) and seek Board direction on next steps.

### **EXECUTIVE SUMMARY:**

H3S leadership met with representatives from American Medical Response (AMR) NW on November 27<sup>th</sup> and December 5<sup>th</sup>, 2024, to negotiate a new performance based ambulance services contract between AMR NW and Clackamas County; as directed by the BCC at a policy session on November 26<sup>th</sup>, 2024.

On December 5<sup>th</sup>, 2024, discussions with AMR NW stalled around the patient rates and their desire to discontinue the river safety and wilderness safety programs.

### **BACKGROUND**

During the first negotiation, AMR NW provided staff with a list of items for discussion and negotiation as well as providing a fiscal document outlining their current and ongoing financial situation which indicates their operating losses in Clackamas County estimated at over three million dollars for 2024.

The contract changes that AMR NW is requesting are outlined below. The most significant are regarding patient rates which is AMR's primary source of revenue. They receive these dollars from a variety of sources including Medicare, Medicaid, health insurance companies and private pay. Annual patient rate adjustments are currently tied to the consumer price index and capped at a 5.5% increase annually. AMR has indicated that the current rate does not adequately cover their operating costs and is contributing to an ongoing financial loss for the company. To right size losses, AMR NW is requesting a significant rate increase over 3 years.

- **Patient rates:** AMR proposed to change the rates from existing CPI to:
  - Upon contract execution: 35% increase
  - After first 6 months of the new contract: 25% increase
  - After 1 year of new contract: 20% increase
  - After year 2 of the new contract: minimum 5% increase after reviewing the current operating costs with the BCC.

This rate increase would result in transport fees going from \$1676 to \$3564 over three years.

Additional discussions for changes include the following:

- **Secure transport and Nurse Navigation:** Both parties agree that these are valuable services for the residents and visitors of Clackamas County and will be added to the contract as requirements.
- **Hospital wall-time exceptions:** Both parties agree to adding this as a new exception to response time compliance in alignment with Washington County's contract.
- **Transition from Letter of Credit to Bond:** Both parties agree to this change.
- **Client Satisfaction Surveys** – Both parties agree to shifting from the current third-party administered annual survey to a QR code or hyperlink on all billing statements for clients to provide ongoing feedback throughout the year.
- **Audited Financials** – AMR NW requested to rescind this requirement. Clackamas County declined and is requiring that AMR continue to have an external audit conducted and no changes are permitted.
- **Fire Department Supply Reimbursement:** AMR NW would like to change this language to a 1:1 utilization model. This will require input from local fire agency partners so flexible language to work towards this approach will be necessary for any changes to move forward.
- **River Safety Program and Wilderness Safety Program:** AMR NW requested to discontinue the River Safety Program, which includes AMR NW providing lifeguards at High Rocks Park from Memorial Day to Labor Day. And the discontinuation of the Reach & Treat Wilderness Program. Clackamas County has offered to reduce current liquidated damages to sustain this programming for a minimum of two years. Discussions occurred around possible changes to the programming with eventual offboarding of these services from the contract. No agreement was reached.

**FINANCIAL IMPLICATIONS (current year and ongoing):**

Is this item in your current budget?  YES  NO

What is the cost? Operations in Clackamas County provides approximately \$21 million in annual revenue for ambulance contractor (AMR NW); Clackamas County receives approximately \$970,340 annually from AMR NW to administer the EMS Program.

**STRATEGIC PLAN ALIGNMENT:**

- **How does this item align with your Department's Strategic Business Plan goals?**
  - Emergency Medical Services is an important Public Health program and aligns with H3S and Public Health Strategic Business Plans.
- **How does this item align with the County's Performance Clackamas goals?**
  - Ensure safe, healthy & secure communities.

**LEGAL/POLICY REQUIREMENTS:**

ORS 682.062 requires each county to establish a plan for the county for efficient and effective ambulance services. ORS 682.063 (1) (b) requires persons and governmental units that desire to provide ambulance services under the plan to meet all the requirements established by the plan.

**PUBLIC/GOVERNMENTAL PARTICIPATION:**

EMS stakeholders are primarily engaged through the County's Emergency Medical Services Council.

**OPTIONS:**

1. Provide staff with direction on items under negotiation and continue working towards the performance-based contract with AMR NW.
2. Instruct staff to begin negotiating an extension to the current contract with AMR NW.
3. Instruct staff to begin development of an RFP to identify other organizations who may be able to perform ambulance services.
4. Provide staff with alternative options.

**RECOMMENDATION:**

No recommendation provided.

**SUBMITTED BY:**

Division Director/Head Approval \_\_\_\_\_

Department Director/Head Approval Rodney A. Cook

County Administrator Approval \_\_\_\_\_