

**CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, JULY 2, 2002**

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, July 2, 2002 commencing at 7:01 a.m.

A. ROLL CALL

Present: Council Members – Hitchcock, Land, Nakanishi (arrived at 7:04 a.m.), and Mayor Pennino

Absent: Council Members – Howard

Also Present: City Manager Flynn, City Attorney Hays, and City Clerk Blackston

B. CITY COUNCIL CALENDAR UPDATE

City Clerk Blackston reviewed the weekly calendar (filed).

C. TOPIC(S)

C-1 "Paramedic Program Update"

Fire Chief Pretz reported that the goal of the paramedic program is to enhance the delivery of emergency medical services to the City of Lodi. Records from the California Department of Finance indicate that since 1995 to present the population in Lodi has increased from 53,100 to 59,400. The response times from San Joaquin County Emergency Medical Services (EMS) Agency have increased 35%, from 3.94 minutes in 1996 to 5.31 minutes. The number of transports has increased by 72% since 1996. In 1995 American Medical Response (AMR) had three ambulances in Lodi. In 2000 the ambulances were decreased to two and they were also used to do inter-facility transports in and out of the City. During a six-week period between February and March 2002 there were 20 incidences where only one ambulance was in Lodi; between May 1 through 20, 2002 there were six such incidences; and eight incidences have occurred where there were no ambulances available.

Chief Pretz recalled that when this topic was discussed in January, Council directed staff to refine the cost and revenue estimates, investigate public/private partnerships, develop options, and report back to Council. Chief Pretz reviewed the following options:

- Make no changes.
- Support additional private providers to enhance the number of ambulances on the street. Chief Pretz stated that competition may lead to lower prices and better service delivery for citizens. Lodi's zone is in a nonexclusive jurisdiction, which means that other ambulance companies who meet requirements can provide services to the community. Chief Pretz reported that three other providers have expressed an interest in providing ambulance services to Lodi.
- Provide a fire-based EMS system. Chief Pretz believed that this option would enhance the local emergency medical delivery system. He explained that it is effective because multi-role firefighters provide a stable, dependable workforce. He noted that cost can be offset by revenues.
- Partner with private providers, i.e. the Fire Department would provide Advanced Life Support (ALS) service for a private provider who would handle transport service. Chief Pretz stated that his investigations indicate that there would be offsetting costs to provide this program.
- Enter into a third service partnership, i.e. with a locally-owned nonprofit organization composed of concerned citizens and local business owners. Chief Pretz explained that the nonprofit organization would be able to recoup cost, share revenue, and meet the needs of the community, because the board of directors in this scenario is the community. It could be operated with lower costs, which would be passed on to the

consumer. Revenue would stay in the community and be used to enhance the system.

Council Member Nakanishi disagreed with Chief Pretz's statement that competition leads to lower prices. He stated that medical economics show that more availability will increase costs.

Chief Pretz remarked that private providers do not want government interference in entering into the market; however, once they are established, they immediately ask for protection, which creates a monopoly.

Council Member Nakanishi stated that he is supportive of the Fire Department and is against privatization. He expressed concern about health insurance and uncompensated care issues.

Chief Pretz asked Council whether the Fire Department should be allowed to provide paramedic service to the City of Lodi and if so, whether the department should undertake transport as a way to offset costs. Chief Pretz noted that he had previously recommended seeking a consultant; however, he stated that he is capable of making a recommendation to Council on this issue.

In answer to questions posed by Council Member Land, Chief Pretz reviewed his background and experience in managing a fire department, which provided both advanced and basic life support services. In reference to response times, Chief Pretz reported that the Fire Department reaches the scene first 65% of the time and in 35% of the incidences it is either a tie or AMR reaches the scene first. He stated that if the proposed program were instituted immediately, the Fire Department would need to hire 12 new firefighters, and eventually a total of 15 new firefighters would be needed to cover for vacations, sick leave, etc. Chief Pretz reported that the County requires EMS to respond to calls within eight minutes or less. The Lodi Fire Department is successful 86% of the time in reaching the City's goal of arriving within five minutes or less.

Council Member Land outlined his concept for a five-year business plan. In year one the Fire Department would have an ambulance and paramedics. In year two if AMR did not reach certain benchmarks (e.g. decreased response time) then a second ambulance would be added to the Fire Department. This would continue in subsequent years until benchmarks were reached.

Chief Pretz was unsure whether the City could tighten response time standards that are set by the County. He offered that perhaps the City could use call volume as a benchmark. He reported that a draft two-tiered plan has been developed, in which paramedics would first be placed at engine companies, and in the second tier the transport system would be instituted. Chief Pretz confirmed that 70% of calls received in the Fire Department are emergency medical calls, and of those, 65% of the time, the Fire Department arrives on the scene first.

City Manager Flynn believed that providing paramedic and transport service would benefit morale of the Fire Department staff. He noted that the private provider is meeting the standards set by the County; however, it may not be providing the level of service that Council desires for the citizens of Lodi. He estimated that the Fire Department's proposed program will cost \$1,500,000 annually at full operation. He noted that another option Council could consider is contracting with the private sector to provide a higher level of service and compare what that would cost to the Fire Department's proposal.

In reply to Mayor Pro Tempore Hitchcock, Chief Pretz reported that morbidity figures go up considerably after six minutes from certain conditions, such as heart attacks.

Chief Pretz stated that National Fire Protection Association (NFPA) 1710 will soon be requiring for ALS services, that fire departments assemble a four-person team consisting of two paramedics and two emergency medical technicians. In addition, private providers will have to meet the same response time criteria as a fire department. Chief Pretz

reported that Lodi is currently classified as a Class 3 city and indicated that insurance costs could be reduced if the number of fire department personnel were increased and paramedics were added to engine companies.

In response to Mayor Pro Tempore Hitchcock, Chief Pretz stated that the City of Stockton believed that additional ambulances should be available in the city and gave permission to their fire department to purchase up to ten additional ambulances. They intend initially to operate five additional ambulances in the core area of the city where they have the most demand.

PUBLIC COMMENTS:

- James Sepiol introduced himself as the Medical Director of Sierra Occupational Services at Dameron Hospital and noted that he is Board Certified in emergency medicine.

Council Member Nakanishi asked Dr. Sepiol if he believed the trend of non-emergency, uninsured patients coming to emergency rooms for treatment, is increasing.

Dr. Sepiol stated that since he began practice in Stockton in 1979 he has not seen a significant increase in the number of patients; however, there are less and less people that are insured.

Council Member Nakanishi stated that while in Los Angeles last week he read an article, which reported that many private hospitals in the area were closing their emergency rooms. Ambulances in the Los Angeles area are often stacked side by side with long waits. The article also reported that the indigent, and people from Central America, are being told to go to emergency rooms for treatment. He expressed concern about the financial condition of Lodi Memorial Hospital and potential unintended consequences of the Fire Department's proposal. He reported that he spoke with Joe Harrington, Chief Executive Officer, yesterday who stated that the hospital cannot take more ambulances in its emergency room. Mr. Nakanishi recommended that a two by two committee of Council and Lodi Memorial Hospital representatives be created to discuss this matter before action is taken.

Dr. Sepiol acknowledged that emergency rooms in Stockton close to emergency transport at times due to the unavailability of beds in the intensive and critical care units. This creates a "round robin" situation for the ambulances. Dr. Sepiol did not believe that increased utilization of ambulances would make an impact in Lodi because there is a finite population going to one hospital.

Council Member Nakanishi stated that Lodi Memorial Hospital has seen an increase from 17% to 19% in uncompensated care. Ambulance service has increased from 12% to 13%. He believed that more ambulances would increase the problem of patients using the emergency room for non-emergency situations. He suggested that a decision be delayed to allow time to evaluate the impact and quality of care issues resulting from changes that have recently been instituted in Stockton.

In answer to Council inquiries, Dr. Sepiol expressed his opinion that response times in Lodi are adequate. As the first responder in Lodi is usually the Fire Department, care is begun at the time they arrive. He did not believe that communication between medical personnel was an issue to be concerned about because it routinely takes place once patients arrive at the hospital; however, continuity of care is optimum.

- Walter Mayer referred to a statement by AMR (filed) and noted that he was billed for 15 miles, when he was actually transported a distance of only 1 mile. He brought this error to AMR's attention; however, for five years he alleged that he was ignored. On February 13, 2002 the billing error was corrected. He expressed appreciation to the Lodi Fire Department personnel who saved his life and commented that AMR came two minutes after firefighters arrived and transported him to the hospital for \$725.

Continued July 2, 2002

- Sandy Wichman, President of the Lodi Professional Firefighters Local 1225, of the International Association of Firefighters, clarified that this issue is about who will provide the best service to the citizens of Lodi. He stated that Lodi firefighters have been providing outstanding service to the community for many years and most citizens are under the impression that they provide paramedic transport. He asked Council to consider their loved ones and whether they would rather wait 20 minutes for an ambulance to respond from Stockton or have the Lodi Fire Department respond.
- Peter Iturraran, Vice President of Local 1225, challenged the Mayor to provide the best EMS program for the citizens of Lodi and urged Council to approve the Chief's recommendations.
- Lou Meyer, Chief Executive Officer for AMR's Northern Pacific Region, reported that AMR has serviced the Lodi community for over 30 years. AMR has met the standards of care required and have also offered to enhance the first response level of service through a public/private partnership with the Fire Department. He believed the only enhancement to Lodi's service would be to train and upgrade its personnel to the paramedic level. He stated that Chief Pretz distributed a solicitation for an informal Request for Proposals (RFP). Subsequent to reviewing the RFP, Mr. Meyer urged Council to direct the City Attorney to research EMS laws, profit sharing scenarios, and the federal anti-kickback statutes prior to making a decision. He stated that even the public/private partnership that AMR offered would have to be done through certain regulations at the County level and if there is more than one ambulance provider in the community it becomes very complex. In reference to Walter Mayer's complaint, Mr. Meyer explained that due to a keystroke error, 1.5 miles was billed as 15 miles. The improper mileage amount was refunded to Medicare and Mr. Mayer's secondary insurance carrier.

Council Member Land recalled that two years ago Battalion Chief Steve Raddigan had to negotiate with AMR to keep one ambulance in the City after 8:00 p.m.

Mr. Meyer reported that a deployment system is approved by County officials. There are times when multiple calls are coming in at one time and deployment patterns are used to cover from Stockton. He stated that units are not moved from Lodi to cover Stockton. One incident did occur within the last couple of months, which was attributed to a dispatcher, when four units were taken out and there was a delay in the movement of units from North Stockton to cover Lodi. Mr. Meyer stated that there are three ambulances in Lodi and one in Woodbridge during the day. At night the Woodbridge unit is brought back into Lodi. Scheduled, non-emergency, Basic Life Support (BLS) transportation is done by a BLS unit stationed in the Lodi community.

Mr. Meyer believed that the only way Lodi could get into the ambulance transportation business and be the sole provider is through a competitive bid process governed by the State and conducted by the County.

In response to Mayor Pro Tempore Hitchcock, Mr. Meyer stated that at no time has AMR reduced units for "the bottom line." AMR uses a status systems management deployment system that matches utilization/need to the demand in the community and when the demand changes, so do the number of units.

- Fred Hopkins, Director of Operations for Hughson Paramedic Ambulance, reported that his company had submitted a proposal to the City of Stockton. He stated that the reason there is a resurgence of ALS first responder programs on the fire level is because it is the safety net of the system. He explained that if critical patients need to be transported from the local hospital, ambulances must be used, and the fire department stays behind as a safety net. He emphasized the importance of looking at the fire department as a safety net and not as the total EMS delivery system. He stated that ambulance companies in Stockton are not trying to compete with the fire

department or race to see who gets to a scene first for statistical purposes. The Stockton fire department is implementing its ambulances in a coordinated fashion and in areas where private ambulance companies are not stationed. Stockton has a public/private partnership called a public utility model. Money is collected through a third party administrator and is shared based upon contracts and negotiated fees. Excess revenue goes to the City to pay for its ALS first responder program. He reported that the City of Modesto recently completed a study in which it was estimated to cost \$32,000 per year to upgrade an ALS engine company, which is far less expensive than adding ambulances to the street.

- Andy Shapiro, Director of EMS Training and Communications for the Stockton Fire Department, stated that the City of Stockton chose to provide the fire department with ambulances based on a number of times when there were slow responses and complaints from dispatchers that there were no transport services available at times.
- Scott Thomas introduced himself as a driver for the Lodi Fire Department and encouraged Council to ask questions of him regarding his experiences.

Council Member Nakanishi reported that there are 7 million uninsured Californians. Emergency rooms countywide are inundated and there is an inordinate amount of uncompensated care. Ambulances are now used like taxicabs. He voiced support for paramedics at engine companies, but was unsure about having ambulances owned by the City.

Mr. Thomas reported that approximately 90% of emergency calls result in patients going to the hospital. There has been a steady increase in call volume for many years. He recalled that the paramedic issue was first brought up by Chief Howard. At that time AMR did the same things that they are doing now, i.e. flooding the City with extra ambulances and beating the Fire Department to calls. He alleged that AMR is "playing games" about going on scene when they are three blocks away.

- Pat Patrick stated that the Chamber of Commerce Government Relations Committee was given a presentation earlier this year by Chief Pretz, and Mr. Flynn came to a subsequent meeting. Mr. Patrick stated that AMR has been serving the community admirably since the 1970s. He stated that the Chamber is supportive of the Fire Department having paramedics on staff; however, it does not understand why they would want to get into the ambulance business when Lodi already has a good provider. It would mean only a decrease in a few seconds of response time and would negatively impact jobs, increase government, and eliminate a good private ambulance provider. Health care and insurance businesses are in a volatile state. In reference to Mayor Pro Tempore Hitchcock's earlier statements about a private company's "bottom line" considerations, Mr. Patrick pointed out that the City also has a "bottom line" to watch because it is using taxpayer dollars. He noted that there was an outcry from the community for the large projects which Council recently approved; however, in the case of the Fire Department providing ambulance transport services the desire appears to originate only from the Council.

Mayor Pro Tempore Hitchcock explained that it is not only a level of service issue, it is a business decision and she would have a difficult time approving the proposal without having revenue to offset the cost. The ambulance transport service would provide offsetting revenue.

Mr. Patrick countered that a business plan has not yet been presented that assures an offsetting revenue stream from ambulance service.

Council Member Nakanishi commented that he has been in health care for 20 years and it has become increasingly difficult to make a profit. He pointed out that the City is now being asked to increase salaries of the police force. He cautioned that this proposal is a long-range plan that will affect Lodi and the local hospital dramatically,

financially, and otherwise. For this reason he recommended that Council Members who are elected at the upcoming election, be allowed to consider the issue.

- Captain Ron Penix reported that he has been on scene at emergency medical calls when there have been no ambulances in the City of Lodi. On one call, with a patient in respiratory distress, he waited for 13 minutes before an ambulance arrived from north Stockton. He urged Council to allow the Fire Department to provide ALS services. He did not believe that adding more ambulances to the system would increase the number of transports to the hospital; it would, however, decrease the amount of time patients have to wait for life saving care.
- Julie Ballard stated that she has been an AMR paramedic for 13 years. She advocated Lodi firefighters being upgraded to paramedics. She cautioned Council that if it has paramedics on ambulances that are City deployed, those ambulances will be subjected to the "round robin" system and will have to transport out of town. She commented that some problems are related to dispatch error and there are many hidden issues surrounding this matter.

Mayor Pennino spoke in support of the paramedic program and stated that it should be done in the 2003-05 budget. He was opposed to hiring a consultant for \$50,000. He suggested phasing in paramedics and bringing in ambulances over the next three to five years if certain standards are not met. Addressing the City Manager, he stated that the City should pursue discussions with the County on how standards can be raised in Lodi. He asked the City Attorney to look at legal issues related to this matter.

Mayor Pro Tempore Hitchcock voiced support for the Chief's recommendation to move forward with both paramedics and ambulance transport, and emphasized the need to be fiscally responsible.

Council Member Nakanishi agreed that a consultant was not needed. He reiterated his support for paramedics and voiced opposition to transport services at this time. He again suggested that representatives from Lodi Memorial Hospital be brought into discussions on this matter.

Council Member Land stated that he met with Fire Battalion Chief Jeff Larson yesterday who wrote a position paper citing pros and cons of the issue. He expressed opposition to hiring a consultant and favored option 1 as presented by the Fire Department. He noted that there is some money in the budget that could be used for this purpose, as well as impact fees. He stated that he would like to see a business plan from the Fire Department.

Mayor Pennino believed that Council Member Howard would also be in support of option 1 and suggested that direction be given to staff to develop a business plan and report back to Council.

Mayor Pro Tempore Hitchcock expressed concern that Council is making decisions at an informational Shirtsleeve Session and believed that such direction should be given at a regular meeting.

Mayor Pennino suggested that the matter be placed on the agenda for the first regularly scheduled City Council meeting in September.

D. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

None.

Continued July 2, 2002

E. ADJOURNMENT

No action was taken by the City Council. The meeting was adjourned at 8:58 a.m.

ATTEST:

Susan J. Blackston
City Clerk

Mayor's & Council Member's Weekly Calendar

WEEK OF JULY 2, 2002

Tuesday, July 2, 2002

- 7:00 a.m. Shirtsleeve Session
1. Paramedic Program Update
- 11:00 - 2:00 p.m. **Pennino.** City's New Safety Awards Program Kickoff Luncheon
(to be held in the parking lot behind City Hall)
-

Wednesday, July 3, 2002

- 8:00 a.m. **Pennino.** San Joaquin Regional Rail Commission meeting.
- 6:00 p.m. **Pennino and Hitchcock.** Celebrate America - located on the
West Lawn at Hutchins Street Square
- 8:00 p.m. City Council Meeting (*adjourned from 7:00 p.m.*)
-

Thursday, July 4, 2002

Independence Day

- Holiday** City Government offices will be closed all day
Oooh Ahhh Festival at Lodi Lake Park



Friday, July 5, 2002

Saturday, July 6, 2002

Sunday, July 7, 2002

Monday, July 8, 2002

Disclaimer: This calendar contains only information that was provided to the City Clerk's office

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**CITY OF LODI
FIRE DEPARTMENT**

Michael Pretz
Fire Chief

Verne Person
Fire Marshal

Ron Heberle
Battalion Chief

Jeff Larson
Battalion Chief

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Steven Raddigan
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Kevin Donnelly
Training Officer

George Jueich
Battalion Chief

July 2, 2002

TO: Mayor, Members of Council,
Dixon Flynn
FM: Michael Pretz

RE: Paramedic Program Update

Executive Summary

Council has expressed the desire to fully explore several options for providing paramedic services to the community. In order to facilitate this need, fire department staff has met with several private provider representatives to develop options for council consideration. These options are based upon a requirement by local government to provide public safety services to the community.

The City of Lodi supports private enterprise; one important hallmark of private enterprise is a competitive market system. We believe the medical transport market is under-served and the citizens of the City would receive better services with additional providers. To that end, the City has encouraged additional providers to become a part of the system. For the past 7 years the city has experienced an alarming trend in Emergency Medical Services (EMS). We believe this trend will only get worse.

Since 1995, the City of Lodi has experienced an 11.9% increase in population, a 35% increase ambulance response time, a 72% increase in emergency transport volume, and a reduction in the number of ambulances within the city limits.

The fire department has developed four options to increase the level of service provided to the community. These options include:

1. The Lodi Fire Department provides transport services
2. The Fire Department enters into a partnership with AMR
3. The Fire Department enters into a partnership with Hughson Ambulance
4. The Fire Department enters into a Third Service Partnership

Problem Background:

Since 1995, the City of Lodi the number of ambulances available to the citizens of the community has been inconsistent. This inconsistency has led to increased risk to the community and makes the provision of emergency medical services difficult for fire department first responders.

Providing for public safety is the responsibility of the City Council. One aspect of public safety is emergency medical care. The Fire Department has been delegated the task of providing this service to the community. The provision of advanced life support throughout the City of Lodi has been inconsistent. The inconsistency is exacerbated by an aging growing population and by an increasing population. Moreover, there are several events, outside of City control, that will have an impact on the provision of this service. These events include, changes in the Medicare/ MediCal reimbursement structure, increasing number of hospital Emergency Room closures, leading to increased out of service time for ambulances, and profitability issues with private providers.

The problem the City of Lodi faces in providing emergency medical care for the community can best be described in examining the following data.

The population of Lodi has been steadily increasing. In 1995, the population was approximately 53, 100. In 2002, the estimated population has increased to approximately 59,400, an increase of 11.9%.

In 1995, there were 3 ambulances stationed in Lodi (Lodi News Sentinel), by October 2000, there were only 2 ambulances stationed in Lodi (Council minutes). Moreover, AMR (Rick Keiser, Operations Manager) stated in the October 2000 Council shirtsleeve session, they (AMR) frequently pulled the 911 ambulances out of Lodi to do inter-facility (hospital to hospital) transfers. This practice is ongoing, however, with the addition of a BLS unit, the frequency of the 911 (ALS) ambulances performing inter-facility transfers has been reduced.

When the fire department announced their paramedic proposal included transport, AMR increased coverage with a third ambulance stationed north of Lodi in Woodbridge. During the past 5 years, additional ambulances have been stationed in Lodi as a direct result of Council inquiries and fire department attempts to increase services levels to the community. After the inquiries are answered and the concern wanes, the number of ambulances in Lodi are reduced.

Since 1996, the average response time for AMR has increased from 3.94 minutes (1996) to 5.31 minutes (2001), an increase in response time of 35%. (County EMS data) Response time does not include calls outside the City of Lodi.

Transport volume has increased from 1620 calls (1996) to 2781 transports in 2001 an increase of 72%. (County EMS data) Call volume does not include calls outside the City of Lodi.

Since April 2000, The Stockton Regional Emergency Dispatch Center has tracked the number of times; Lodi and Stockton experience low ambulance coverage. Low ambulance is defined as less that 2 ambulances in Lodi and less than 3 ambulances in Stockton. In a recent 6-week period, February 2002- March 18, 2002, there were 20 incidents of 1 ambulance or less in Lodi. On May 30, 2002, Lodi Fire was informed that there were no ambulances in the City and that ambulances would be coming out of Stockton. This issue remains the primary reason the City of Stockton Council voted to allow the Fire Department to begin ambulance transport.

In 1995, the City of Lodi adopted the San Joaquin County EMS ordinance, the ordinance provides a permit process for private and public ambulance providers, response time criteria, and the stationing of at least one ambulance in the City of Lodi. The stationing of this ambulance has been defined as north of Armstrong Road. The urban response time criteria is; 8 minutes, 90% of the time.

Staff Recommendation:

In order to develop proposals that would increase the level of service to the community and offset costs to the greatest extent, the Fire Department has been exploring several opportunities to partner with private providers. The Fire Department recommends Option #1 because it has the greatest potential to recover the cost of providing this service. However, politically, a partnership that allows the greatest cost recovery should be considered.

The following options are presented for your review, discussion, and direction. Moreover, staff further recommends Council direct staff to develop a Request for Proposal (RFP) for a third party consulting firm to review staff work and make a recommendation for Council approval.

Option#1 Lodi Fire Department Paramedic Program.

This option is the same one proposed earlier. The fire department would hire 15 additional personnel to staff existing engine and truck companies. These individuals will already be paramedics. The city would purchase three ambulances and begin transport services. I have run several transport scenarios with the fire department assuming 30%, 50%, 70%, and 100% of the call volume. As the department approaches 100% of the emergency transports the City recovers its costs and produces a revenue stream. Several financial models have been produced and will be included in the future presentation.

Option #2 Partnership between the Fire Department and AMR

I have held 2 meetings with AMR representatives to discuss possible partnership proposals. In each meeting AMR has reiterated their desire to form a partnership. AMR has offered to pay the differential between firefighter and paramedic. Using a 15% pay differential and 15 paramedics, the cost to AMR is approximately \$113,640 per year at the build-out of the program. AMR has offered to train firefighters to the paramedic level utilizing their paramedic school. In addition, AMR will allow the City to purchase medical supplies through their acquisition process.

The fire department has asked to explore utilizing a single ambulance as a supplemental response vehicle. This concept is in use in the City of Santa Clara and San Jose. This unit would be used when AMR units are experiencing long responses or when the severity of the injuries at an incident dictate rapid transport to the hospital. The experience from Santa Clara indicates about 50-60 responses per year. AMR will bill the patient but the City would keep the revenues. Enclosed in your packet is a copy of the response from AMR.

Option #3 Partnership between the Fire Department and Hughson Ambulance (HPA)

The Hughson Ambulance company (HPA) currently operates in Stockton with 3-4 ambulances. HPA has taken over districts abandoned by AMR in the Stockton inter-city. HPA board members have expressed a desire to partner with the Lodi Fire Department to provide transport services to the City. The Fire Department would hire additional paramedics for the engine companies. The preliminary HPA proposal will provide the city with 1 reserve ambulance stationed at a fire station. HPA would also pay a differential between firefighter and paramedic estimated at \$38,000 per ALS engine. In addition, HPA has expressed an interest in revenue sharing with the City. Hughson ambulances would be under the direct control of the fire department. One member of the board for HPA is the medical director for the corporation and would be willing to function in that capacity for the fire department. Enclosed in your packet is a copy of the Hughson Ambulance Proposal.

Option #4 Advanced Life Support (ALS) Third Service

The fire department would provide paramedics on engine companies and a non-profit provider would provide ambulances staffed with EMT's and paramedics. The non-profit provider would also provide an additional service of returning the patient to their home as necessary. Revenue from the system would be used to cover costs and enhance the system as needed.

Summary

In researching the fire department proposal, I have utilized the information provided by the Reason Public Policy Institute, a leading proponent of privatization. In one policy paper, the author addresses "high performance" emergency medical systems, citing 5 cities. Four of the cities utilize fire department paramedics as first responders and a private provider as the transport agency. In all cases, this means the fire department does the lions-share of the work, i.e. provide the initial care and the private provider collects the revenue. In each of the options presented, the Lodi Fire Department will provide an increased level of service to the community through paramedic services. The cost of providing increased service will be partially offset by revenue from private providers.

The Reason Public Policy Institute also notes that in the top 200 cities with a population of 100,000 or more, 50% use a fire-based or third service system, 22% use a combination of fire-based, private system and only 28% use a private only system.

On May 28, 2002, the City of Stockton Council gave its approval to allow the Fire Department to enter into emergency transportation. The fire department proposal will place 5 ambulances in service in the core area of Stockton. The Stockton Fire Department will have to apply for a permit to provide this service. According to the State of California Emergency Medical Services Agency, as long as the provider can meet the County requirements, they must be awarded a permit.

There has been a persistent rumor that San Joaquin County Board of Supervisors will ask for an RFP to award exclusive jurisdiction rights to a single company. This rumor has surfaced whenever there are ambulance issues. While it is within the rights of the Board to award this, there is some belief that this action will open the door to renewed animosity between all the private providers. Should AMR not win the contract with the County for exclusive rights to transport, they will be forced to leave the County and service provision will resort to the successful bidder.

Because this is a contentious issue, fire department staff recommends a third party consultant be hired to review the Fire Department proposal, as well as the public/private proposals and recommend a course of action to Council. A Request For Proposal (RFP) would cost between \$40,000-\$50,000 and could be completed within 4-6 months.

June 10, 2002

Name and Address

As you are aware, the Lodi City Council has expressed the desire for the Fire Department to explore and identify options for providing paramedic services to the citizens of our community. The fire department is desirous to provide paramedic and transportation related services to the City and surrounding area. In so much as this is the desire of the fire department; we acknowledge there currently exists public/private partnerships between fire departments and ambulance companies that have proven successful in this endeavor. Therefore, we are looking for proposals from private ambulance providers in which we feel we could successfully partner with. The goal of such partnership is to maximize pre-hospital medical services to the citizens of Lodi; and secondarily a partnership that allows the greatest recovery cost to ensure the financial needs of each partner is fulfilled.

In receiving this request for a proposal, you have been identified as a private ambulance provider who may be interested in partnering with the Lodi Fire Department to provide such services. The need to provide additional pre-hospital services to the City of Lodi is described as follows:

The population of San Joaquin County as well as the City of Lodi has seen a modest increase. In 1995, the population of Lodi was approximately 54,400. In 2001, the population increased to approximately 57,800, an increase of 6.25%. During the next several years, the population in the Central San Joaquin Valley will grow significantly and the area is described as one of the fastest growing region in the state.

Pending Council approval, the Lodi Fire Department plans to move forward to place paramedics on its engine companies, hiring a total of 15 paramedics. The fire department will be responding on all advance life support (ALS) calls for service and will provide such services upon arrival. A partnership with a private ambulance provider will be for the "transportation" of a person(s) in need of such services. The revenue or cost recovery of such services then would be shared between both partners, of which the share doesn't necessarily have to be 50/50.

The following areas of concern are considered critical to the fire department in creating a partnership and should be addressed in detail when submitting a proposal for further consideration. It should be noted that this is not a formal Request for Proposals (RFP), all submittals are confidential and not subject to public disclosure, and all submittals remain the property of the Lodi Fire Department for use in determining whom the fire department will affiliate themselves with should a public/private partnership be created.

- **Medical Services Director / EMS Coordinator.** In providing ALS services, a Medical Services Director (Doctor) is required to oversee the overall operation and ensure training requirements of the provider(s) is being met or exceeded. An EMS Coordinator is an in-house position that would coordinate staffing levels, scheduling, training Q-A/Q-I, planning (normal and special events), cost recovery, and other duties as agreed upon.

The ability of a private ambulance company to be able to provide one or both positions is not a requirement, however the need exists and a cost for said services will have to be identified. The proposal should indicate if either position or both could be filled by the provider and at what cost.

- **Response Time Criteria.** In providing ALS services, response times are critical. The fire department as well as the ambulance company will have to comply with the ALS response standards developed by County EMS when performing said services. In as much as the Lodi Fire Department will be responding to all calls for ALS services, the actual arrival time of the transporting ambulance is not as critical.

The proposal should address what you believe will be the appropriate response time(s) within the City on handling transportation duties only; and outlining escalating penalties on a minute by minute basis for late arrivals.

- **Paramedic Premium.** In as much as the City of Lodi will be providing the paramedics, the city's cost for these services will surely exceed those of the ambulance company. In order to equalize the cost of paramedic services, the ambulance company will be required to pay to the City a premium per paramedic over and above the revenue sharing program.

This cost will have to be determined at such time when a partnership is formed. It should be noted, the difference between the City of Lodi firefighter rate and paramedic rate would result in an annual premium of approximately \$7576 per paramedic being paid to the City.

- **Revenue Sharing Program.** The City of Lodi has no experience in billing for medical transportation related services. We are of the understanding that most if not all-private companies handle all billing for service where most if not all-public entities contract out the billing services. The actual number of transports in the City of Lodi and the surrounding area can be obtain through the County EMS department. Based on the City's expected costs, approximately \$1.15 million dollars and the partners expected costs; a best-case scenario revenue program needs to be created.

In an effort to ensure complete neutrality, the City would like to visit utilizing a third party independent of both for handling the billing of service. The proposal needs to address recommended billing companies for consideration.

- **Ambulance Provided to the City.** The selected partner needs to provide an ambulance for use by the fire department, which will be maintained and staffed by fire personnel. The fire department would expect to use the unit for transport of ALS patients when there are no transport ambulances available in the City or within Zone 4. Additionally, the unit could be utilized for transfers in non-emergency situations such as transports from the local hospital to home (City / Zone 4 area only), transports between local healthcare facilities, and transports between ground and air-medical providers as requested.

The proposal needs to address your recommended uses and/or limitations of the use of this unit by the fire department. The final terms of use of this dedicated unit would be negotiated between the parties.

- **Plans for Expansion.** As stated above, the City of Lodi and the surrounding area has grown and will continue to grow in the not so distant future. The proposal needs to address how the ground pre-hospital medical services program will grow as the population grows. Which of the following factors if not all would you address when planning for expanding the level of service:

Percentage of population growth within a certain time period, ALS call volume as well as other calls for transportation related services, response times, and any other conditions not listed. Likewise, the plan should also address those factors, which would be considered for the downsizing of pre-hospital medical services.

- **Length of Contract.** The City understands the private provider may incur “real” startup cost to create a partnership with the Lodi Fire Department. In order for the private provider to re-coop those costs, the costs need to be amortized over a certain period of time, which will in essence turn out to be the “original” term of the contract. The proposed length of contract should also include renewal time periods, annual performance/compliance reviews, methods of reconciliation for performance/compliance reviews found to be deficient, and a provision where the City would have the first right of refusal to purchase the equipment (fair market value) of the provider should that provider determine they can no longer operate under the terms of the contract, failure to meet the requirements of the contract, or at the expiration of the contract.

It needs to be clearly stated that by just submitting a response proposal is in no way to be considered a contract between the submitting company and the City of Lodi. The content of each proposal will be reviewed in detail with a recommendation submitted to the City Manager and City Council indicating who the fire department feels is best suited to affiliate ourselves with. It is expected that any contact creating a public/private partnership for pre-hospital medical services will be negotiated in good faith, extremely detailed as to who is providing what services and when, and lastly, legally binding. This process could take up to twelve months to complete.

If you choose to respond, all such responses need to be sent to the office of the Fire Chief, Michael Pretz, 217 West Elm Street, Lodi, California 95240 no latter than Friday, June28, 2002, 4:30 PM. If you need additional information prior to responding, you can call Chief Pretz at 209-333-6735.



AMERICAN MEDICAL RESPONSE

June 20, 2002

Mr. Michael Pretz
Fire Chief
City of Lodi
Fire Department
217 West Elm Street
Lodi, CA 95240

Re: Public/Private Partnership

Dear Chief Pretz:

I am writing in response to your letter dated June 10, 2002, regarding the City's desire to establish a public/private partnership with an ambulance provider as an option for providing and funding paramedic services to your citizens. As you are aware from our prior discussions on this issue, AMR has a great deal of experience in structuring and implementing these types of programs and has expressed a willingness to discuss a public/private partnership with the City of Lodi. In view of the contents of your letter which states "that this is not a formal request for proposal (RFP)", one could assume that the contents of your letter did not have City Legal Counsel review, and therefore we thought it may be helpful to address three important legal principles which must be taken into account in structuring this type of program.

GOVERNING LEGAL PRINCIPLES

The California EMS Act. First, under the California EMS Act (Health and Safety Code Section 1797, et seq.), counties and their designated local EMS agencies are the public entities with legal authority over the county-wide EMS system, including the delivery of both transport

and non-transport services within cities. A limited exception to this rule exists for cities that have rights under Section 1797.201 of the EMS Act, but that exception does not apply to the City of Lodi. A county's regulatory authority includes designating ALS providers; establishing exclusive operating areas, when appropriate; establishing and enforcing dispatch, patient destination and patient treatment protocols; establishing and enforcing response time requirements; and evaluating the clinical performance of the providers in the system. Although your letter specifically discusses only the authority of the San Joaquin County EMS Agency to establish response time standards, we assume the City also recognizes the County's authority over these other functions. We also assume that you are aware that the City knows that it does not itself have any regulatory authority over emergency ambulance services.

Medicare and Medi-Cal Requirements. The second important legal principle to be taken into account is that ambulance transportation is the service which is paid for and regulated by Medicare, Medi-Cal and other public health care programs. For this reason, an ambulance provider must enroll with and be certified by Medicare and Medi-Cal to bill these programs. Fortunately, the rules of these programs (and Medicare rules in particular) recognize the synergies between non-transporting first responder agencies and ambulance providers by permitting the transport provider to bill for services rendered by first responders when an appropriately structured subcontract exists with the first responder agency. However, the rules of these programs require that the ambulance provider, as the certified/regulated entity which submits claims and receives payment from the government, maintain a degree of legal authority over all the services it bills for, including those provided by first responders. This means the only legally appropriate way to structure this kind of an arrangement is for the ambulance

provider to enter into a subcontract with the first responder agency wherein that agency will provide services in support of the transport component. It is not legally appropriate for the first responder agency to be the primary entity which delivers medical transportation through a subcontract with a transport provider.

The Anti-Kickback Statute. A third significant legal requirement, the Medicare Anti-Kickback Statute, limits the amount of compensation which can be provided by an ambulance company to a city or other public agency which dispatches, or contracts with another entity to dispatch ambulances in response to 911 calls. The Anti-Kickback Statute makes it unlawful to pay for the referral of patients. The Office of Inspector General of the Department of Health and Human Services (OIG) views the performance of the 911 dispatching function as the “referral” of patients. Therefore, the Anti-kickback Statute prohibits ambulance providers from paying more than fair market value to cities or other agencies which perform the 911 dispatching function. The OIG has indicated that when an ambulance company pays a public 911 dispatching entity more than fair market value for services performed by the dispatching entity – including first responder services –this may be viewed as a disguised kickback. In fact, this concern was raised very recently by the OIG in its Draft Compliance Program Guidance for Ambulance Suppliers, which was published in the Federal Register on May 9th. Therefore, any payment made by an ambulance company to the City for these services would need to be limited to fair market value.

With the foregoing principles as background, AMR remains very interested in entering into a public/private partnership with the City of Lodi, which will stand the legal test as described above.

We are aware that our response is necessarily lacking in certain specifics. However it is our opinion that in agreeing to certain provisions of your "Informal RFP" we would expose both our agencies to sanctions from federal regulators. We have found in structuring these arrangements elsewhere, there are a number of operational and financial issues that must have both City as well as County Legal Counsel review. We hope the foregoing will lead to further discussions with the City, in collaboration with the San Joaquin County EMS Agency on how to best structure an effective ALS first responder program in Lodi.

Very truly yours,



Louis K. Meyer

CEO, Northern Pacific Region

CC: Dixon Flynn, Lodi City Manager

Elaine Hatch, EMS Director – San Joaquin County

Michael Scarano, Esq

James Ridenour, Vice President

HUGHSON
PARAMEDIC
AMBULANCE
COMPANY,
INC.



Hughson Paramedic Ambulance Service

A Proposal to the City of Lodi

For the Provision of

Emergency Ambulance and

Transportation Services

June 20, 2002

June 20, 2002

Michael Pretz, Fire Chief
City of Lodi
217 West Elm Street
Lodi, CA 95240

Dear Chief Pretz:

Hughson Paramedic Ambulance Service Inc. is pleased to present for your consideration the enclosed proposal for the provision of Emergency Ambulance and transportation Service. We believe our proposal addresses the spirit of your RFP as well as the required content.

Our proposal creates a true Public/Private Partnership. It brings together the experience and commitment of Hughson Paramedic Ambulance Service with the desire and knowledge of the City of Lodi. Our combined resources create a strong entity that is limited solely by our imaginations.

We hope you find our proposal acceptable and complete. Should you have any questions, please don't hesitate to contact me.

Sincerely,

Thomas E. Crowder, MBA
President/CEO

Executive Summary

Hughson Paramedic Ambulance Service has positioned itself as a leader in the EMS and medical transportation fields. Our success is due to a strong commitment to quality care and the belief that service comes before profits. HPA has experienced consistent growth since its inception in 1989. Our growth comes as the result of establishing and maintaining long-term relationships with public safety agencies and healthcare institutions.

Our proposal to the City of Lodi is unique in that we seek to establish a "Start Up" operation together with the City and grow that product into a successful entity. Our proposal has several key elements that drive this project.

- Establishment of an EMS Fund
- Funding of ALS engine companies
- Revenue Management Process
- Growth and expansion plans
- Cooperative Environment
- Proven Record of Success

HPA offers the City a fresh alternative. We seek to explore opportunities with the City of Lodi. We see the City of Lodi as an opportunity to demonstrate that Public and Private ventures can and will success.

Company Profile

Hughson Paramedic Ambulance Service, Inc. was founded in 1989 by Thomas Crowder. Mr. Crowder saw a need for emergency ambulance service in the community of Hughson and without any public financial aid implemented service in a small rural community.

The Company was one of the first to establish distinct operating units that specialized in EMS and non-emergency transportation. The EMS section provides dedicated 911 services while the non-emergency division provides high quality cost effective scheduled services. Support divisions such as purchasing, human resources, fleet maintenance, risk/safety and training are consolidated to be cost effective and reduce indirect operating costs.

As a healthcare provider, the Company is proud to state that its owners, Thomas Crowder and Dr. John J. Casey are both practicing clinicians. Mr. Crowder has been a paramedic for over 17 years and is highly respected in the EMS community. His devotion to his field is evident by the fact that he works regularly on a paramedic unit in order to personally judge the care being provided by his staff.

Dr. John J. Casey is an Orthopedic Surgeon in Stanislaus County providing emergency care at several local hospitals. He has served on several boards and commissions and is currently on the Stanislaus County Trauma Steering Committee. Because of his extensive time spent in the emergency room, Dr. Casey is in close contact with pre-hospital personnel and contributes to their skills and knowledge through direct interaction.

The Company's Deputy Director of Finance is Ms. Erica Lacy. Ms. Lacy has been with Hughson Ambulance for over ten years and has been instrumental in guiding HPA in its growth. Ms. Lacy has an extensive background in corporate financial management, accounts receivable processing, capital expenditure funding and budgeting. She directly manages all of HPA's service contracts, ancillary divisions and long-term planning process.

The Deputy Director of Operations is Mr. Fred Hawkins. Mr. Hawkins has been managing ambulance services and EMS systems since 1976. He has managed, directed, supervised or consulted on EMS projects throughout the country. Mr. Hawkins has created partnerships and joint ventures with fire departments, hospitals and allied provider agencies. He is a Master Instructor in System Status Management and EMS Deployment Strategies and has lectured on the subject in California, Oregon, Washington, Colorado and Indiana. Mr. Hawkins continues to consult on EMS projects for a variety of firms. In 2001 Mr. Hawkins was instrumental in designing an accreditation process widely utilized by healthcare payers.

Mr. Barry Hickerson is the Company's Clinical Services Director. Mr. Hickerson is a Flight Paramedic and oversees HPA's training and education process. Mr. Hickerson established quarterly skills testing for HPA paramedics and EMTs. This one on one process focuses on key skill proficiencies and facilitates remedial learning opportunities. Mr. Hickerson has been involved in a number of pre-hospital research projects and is an instructor at the Doctors Medical Center Paramedic Training Program.

Today, HPA operates a fleet of seven paramedic-equipped ambulances and nine basic life support ambulances. The growth of the company has permitted HPA to update its fleet with additional units due to arrive soon. Our operations plan separates our services into distinct units. The ALS/paramedic units are assigned to the 911/EMS system. They do not run transfers or non-emergency transports. This program has been extremely successful for HPA and has facilitated our growth in San Joaquin County. Our basic life support division responds to all non-emergency and scheduled transports. Resources are matched to demand and reserve units activated when necessary.

Medical Services Director / EMS Coordinator

Off-line medical control is a vital part of a quality pre-hospital care program. The Physician's role is not only one of accountability but of leadership and direction. As part of our proposed alliance we will expand the role of our Medical Director to include the personnel of the Lodi Fire Department.

The Medical Director will participate in the patient care audit process and provide remedial education when necessary. The Medical Director provides all participating personnel with a source of clinical and professional feedback.

In addition to the Physician Medical Director, HPA will assign a full-time EMS Coordinator/Project Manager to Lodi. The EMS Manager will be assigned to a peak load ALS unit that will operate from 0700-1800 weekdays. HPA and the Lodi Fire Department will jointly select the EMS Manager. The EMS Manager will coordinate all on-site activities including training, re-stock, customer feedback and project support.

The EMS Manager will be a clinical role model and be capable of addressing clinical and operational issues.

HPA employs six (6) EMSA approved accreditation officers who can provide field training to paramedic students and candidates. Our preceptors are available to the City of Lodi to assist in the field training of ALS engine personnel.

Response Time Criteria

In anticipating response time standards it is difficult without first knowing the parameter to be served and the volume of calls. Since that type of analysis can only be made with validated data retrospectively, we propose establishing incremental standards that will drive response times such as out of chute or enroute times.

The current standard of enroute within 60 seconds or less to all emergency responses prompts the units to readiness. Thereafter, the only variable is speed and distance. To address the speed and distance issue, HPA will conduct regular mapping courses for personnel assigned to the Lodi project. Upon commencement of the program, HPA and the City will analyze the response times monthly until we reach an optimal level of performance.

Paramedic Premium

Based upon the information provided by the City we estimate the annual cost differential to be approximately \$38,000 per ALS engine company. This figure closely resembles other fire based ALS engine company costs. The City's allocation of the retained earnings in the Lodi EMS fund proposed in the revenue sharing program section would fund the ALS engine program. As ALS ambulances and engine companies are added, the revenue stream from additional transports shall be utilized to cover the cost of the ALS implementation costs.

Revenue Sharing Program

In the Lodi response area there is a limited number of ambulance transports that can be captured initially. That volume is divided by the number of licensed ambulances in service at any given time. The addition of ambulances into Lodi will not increase the aggregate volume but merely change the equation of calls per unit. Our proposal is to create an EMS fund that captures all revenue generated by contracted transports and ancillary healthcare services. The revenue is then allocated to several entities in accordance with the business plan being proposed. The initial entities would be the City of Lodi and Hughson Paramedic Ambulance Service. The City may use its retained funds for upgrading its engine companies to ALS, EMD training for dispatchers, or any purpose the City wishes. Hughson Ambulance would use its share of the EMS fund to cover its operational costs associated with its Lodi operations.

A third party billing service will be jointly selected by the City of Lodi and Hughson Paramedic Ambulance Service. That third entity will process, bill and collect all revenues generated from transports in the Lodi area. Revenues will be deposited by the third party service, and the fund balance, less billing expense will be transferred to an operating account at the close of each calendar month.

Monthly, Hughson Ambulance shall submit an invoice for direct operating costs associated with the Lodi agreement plus an administrative fee. The direct operating budget is developed jointly and monitored monthly. That invoice shall be paid from revenues deposited into the fund. Hughson Ambulance will fund the account initially or "Loan" the fund start up costs.

All records, transactions, charges to or claims paid are conducted jointly by the City of Lodi and Hughson Ambulance with dual signatures.

Our proposal creates a true cooperative venture. Any assistance provided by the City to HPA that reduces direct expenses such as housing, dispatch, fuel or maintenance enhances the fund balance. The balance and/or projected revenues can be utilized to expand programs.

Ambulance provided to the City

We will provide one (1) reserve ambulance to be stationed in the City of Lodi and utilized as stated in the RFP document. The ambulance will be stocked, maintained and supplied by Hughson Paramedic Ambulance. The City of Lodi shall provide a secure location for the ambulance. All revenues generated from transports shall be integrated into the Lodi EMS Fund.

The fire personnel staffed ambulance is a useful tool during periods of unusual system overload. Since the ambulance would likely generate revenue without additional expense that revenue less the billing cost would ultimately become retained earnings for the City.

Plans for Expansion

The City of Lodi has expressed an interest in creating a true Public/Private Partnership. We believe that in order to nurture the relationship the service delivery model must be creative and adaptive. Our business plan includes expansion into the non-emergency market and the scheduled expansion of the ALS program in the City of Lodi and the unincorporated areas with those added revenues being added to the EMS fund.

Hughson Ambulance has extensive experience in deployment strategies and developing medical transportation programs. We believe that a locally based and operated system that keeps 100% of the retained earnings within the community can be marketed and produce a competitive business entity. The non-emergency market can include basic life support transports, wheelchair van and shuttle van services as critical care transportation.

By analyzing data available at the EMS Agency we can anticipate and identify growth opportunities. The EMS Fund process will provide us with revenue indicators that will assist in creating thresholds that trigger implementation of additional units. As a Primary PSAP, the City of Lodi can triage the non life threatening calls out of the EMS system and create a public safety incident in which a paramedic unit or engine company responds first to assess the situation. If treatment or transportation is necessary, the on-scene unit can handle the task.

We propose the creation of a "Business Health" program where ALS engines or ambulances provide immediate first aid services to injured workers and coordinate their care for a minimal fee.

We propose the creation of a "Community Health Program" in conjunction with Lodi Memorial Hospital that provides pro-active health and safety services throughout the community. The establishment of a subscription program that provides initial funding of services and saves residents money should they use emergency services. Between calls, ambulances and firefighters perform home safety inspections and provide valuable information on other healthcare related services.

Paramedics and firefighters become the eyes and ears of the local physicians by performing home exams when requested.

Development of a child safety program in the City of Lodi. Hughson Ambulance owns a "Freddie the Firetruck - Andy the Ambulance" unit that is designed to capture the attention of children 12 years and younger. The unit would be stationed in Lodi and used to educate children about a variety of safety issues.

Length of Contract

We are proposing an initial contract term of three (3) years with the option to renew if acceptable to both parties. The contract terms to be negotiated. The elements of our proposal are fluid in that should the City of Lodi elect not to renew the agreement or termination is executed due to breach that the EMS Fund can be assumed or transferred to a new provider.

■ **Stockton**
530 E. Market St., Stockton, CA 95202; 943-6568
 ■ **Lodi Bureau**
101 W. Locust St., Lodi, CA 95240; 367-7429
 ■ **Manteca Bureau**
168 N. Maple Ave., Manteca, CA 95336; 239-3354
 ■ **Mother Lode Bureau**
520 N. Main St., Angels Camp, CA 95222; 736-9554

Ambulance firms crowd into Calaveras

Francis P. Garland
Bureau Chief

SAN ANDREAS — More ambulances will be on Calaveras county roads come July 1, but emergency-medical officials say that's not necessarily a good thing. The Mountain-Valley Emergency Medical Services Agency week gave American Legion Ambulance of Amador County the Ebbetts Pass Fire Protection District permission to operate ambulances in the San Andreas and Arnold areas, respectively. The agency also said San Andreas Ambulance could add its service into Angels Camp. Until now, American Medical Response had been serving Angels Camp and Arnold, while Mountain-Valley Ambulance had the San Andreas area to itself. But starting July 1, dispatchers will rotate calls among providers in those areas, meaning they'll have to share busi-

ness. And that likely will hurt all of their bottom lines, according to Doug Petrick, American Medical Response's operations director, because there aren't many calls to go around.

"It's a small county," he said of the county's 40,000 inhabitants. "The profit margins will be pretty slim when you're talking about that few calls. This could have a potentially huge impact on the system."

Although the changes will mean more ambulances to serve the public at the outset, officials worry that fewer calls will mean less revenue for providers. And if some experience financial difficulties, they could start to cut corners if not fold up shop entirely.

"When they're hanging on by their nails financially, they're forced to cut costs in areas like equipment or staffing," said Steve Andriese, the Mountain-Valley Emergency Medical Services Agency's executive director. "And those are

absolutely essential to a good system."

Andriese said his agency will monitor the situation "to make sure the public gets a safe service."

The changes were triggered by American Legion Ambulance's request to serve the San Andreas area. Al Lennox of American Legion Ambulance would not discuss his company's plans.

Bill McFall of Valley Springs Ambulance said American Legion has an unfair advantage because it has exclusive rights to operate in Amador County and can afford to run its ambulances at a loss in Calaveras County.

Calaveras County has no exclusive operating areas, which means the Mountain-Valley Emergency Medical Services Agency cannot deny an ambulance company the right to do business in a particular area as long as it meets some basic requirements and has a clean history.

Rick Jones, the agency's response and transport coordinator, said the agency prefers to see exclusive operating areas wherever possible, because the open-market approach doesn't work well for ambulance service.

"Free enterprise works great for some things like the restaurant business, because the public can vote with its feet," he said. "They can choose not to go to a restaurant if the service isn't good. You don't have that choice when you dial 911."

In Calaveras County's case, dispatchers will rotate calls among providers in the different areas come 8 a.m. July 1. That could make slow going even slower, said Gail Pilkington of San Andreas Ambulance.

"I might go all day without getting a call," she said. "That's kind of devastating, because my people are getting paid regardless."

Andriese acknowledged that providers in competitive areas have it tough. "It creates almost

a panic situation for them," he said. "They hang on every call, and if they lose one, it's a major impact."

Pilkington, who chose to expand into Angels Camp because she said her company could not survive by sharing calls in San Andreas alone, would like to see some sort of zone-protection measures instituted in Calaveras County to guarantee that providers can stay afloat financially.

Jones said Calaveras County could establish exclusive operating areas, but it would be up to the Board of Supervisors to do so — and it would take up to two years for that change to take effect.

The board is expected to hold a study session on the issue within a few weeks, said Clay Hawkins, the county's acting administrative officer.

■ To reach Lodi Bureau Chief Francis P. Garland, phone 736-9554 or e-mail garland@goldrush.com



American Medical Response
P.O. Box 7423
San Francisco, CA 94120

- dba AMERICAN MEDICAL RESPONSE

TRIP # MOD-00035480-01
PATIENT NAME WALTER MAYER
DATE OF SERVICE 08/11/1997
AMOUNT DUE 133.35 INVOICE DATE 09/29/1997

CITY CLERK'S NOTE:
These documents were submitted on 06/28/02 by Walter Mayer for Council review. Mr. Mayer has indicated that he will be providing public comment at the Shirtsleeve Session of July 2, 2002.

WALTER MAYER
316 W OAK
LODI CA 95240-3402

MOD0003548001 REMIT PAYMENT TO:

911 EMERGENCY SERVICES INC
PO BOX 7423
SAN FRANCISCO, CA 94120



CHARGE MY: VISA MASTERCARD



EXPIRATION DATE

RE _____ PLEASE ENTER AMOUNT PAID: _____
PLEASE DETACH AND RETURN THIS PORTION WITH YOUR PAYMENT

PATIENT NAME		ACCOUNT NO.	TRIP NO.	INVOICE DATE
WALTER MAYER		000123571-0001	MOD-00035480-01	09/29/1997
DATE OF SERVICE	SERVICE FROM	SERVICE TO		
11/1997	316 W OAKS	LODI MEMORIAL HOSPITAL		

IMPORTANT MESSAGES

have billed your secondary insurance as a courtesy. This amount still remains your responsibility. Unless we receive payment within 30 days of this invoice, the full balance of this account will be due and payable by you.

CODE	DESCRIPTION	UNITS	UNIT CHARGE	TOTAL CHARGE
70	ALS BASE	1	519.00	519.00
90	ALS MILEAGE	15	11.00	165.00
99	EMERGENCY	1	.00	.00
22	OXYGEN	1	41.00	41.00
98	EKG PAPER	1	.00	.00
41	EKG MONITOR	1	.00	.00
94	INFUSION SET W/3WAY	1	.00	.00
94	INFUSION SET MICRO	1	.00	.00
94	I.V. START PAK	1	.00	.00
15	NEEDLES, ALL	1	.00	.00
99	O2 MASK/CANNULA	1	.00	.00
70	IV MAIN SET UP	1	.00	.00
	*** OTHER CHARGES ***		.00	.00
	*** PAYMENTS ***			533.41-
	*** ADJUSTMENTS ***			58.24-

TOTAL CHARGES DUE	133.35
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DISCHARGE REASON: T11 ILLNESS
ARRIVAL: RCVD: 17:30
DIAGNOSIS: 7807 78702 78703

SEE REVERSE SIDE FOR INSURANCE INFORMATION

Send billing inquiries to: American Medical Response, P.O. Box 7423, San Francisco, CA 94120

ORDER# : ZZZ89622Z
Number: 1-800-913-9106

FED TAX ID: 94-1736160
Local Number: 1-209-238-4710
Keep this portion for your records.

Grade 1 of 6

Ambulance Billing dispute O F
1997 Now Reconciled in 2002.

I received emergency medical
Transportation Service From AMR in 1997,
the American Medical Response ambulance
Service in San Joaquin County I IGNURED
my billing DISPUTE for five years per
the following events.

IN 1997 I spoke to AMR representative
Mr. PAT CHRISTIAN at 888 E. Lindsay
Street, Stockton Calif, only to be referred
to SHELEE Sutton who was the Customer
advocate representative for AMR at 801 Tenth
Street Modesto, Calif. Neither of these
two offices answed my billing Problem.

ON 13 Feb 1998 I consulted the
Emergency Medical Services Agency for the
first time. My billing problem was addressed;
how ever NO DOCUMENTATION of reconciliation
was presented to me.

ON 15 JAN 2002 I addressed my Frustrations to the Lodi City Council regarding the AMR billing problem. OUT of the audience came Mr. RICK KEISER AMR Representative, I provided all the documents Mr. Keiser requested. AMR again IGNORED me the customer. NO RESPONSE.

~~I spoke to~~

ON 11 Feb 2002 I spoke to Mr. JACK SIEGLOCK San Joaquin County Supervisor. He referred me to the EMS Agency. ON 13 May 2002 I consulted Elaine L Hatch, EMS Director. This was my second consultation with Elaine L Hatch, after ^{OUR} discussion AMR provided the billing reconciliation that I requested in 1997.

5 YEARS of FRUSTRATION
AMR CHOSE TO IGNORE my
Simple REQUEST 1997-2002

Should anyone in San Joaquin County have problems with any ambulance ^{services} my experience may be of value. The EMS Emergency Medical Services Agency ISSUES the PERMITS for all ambulance services in San Joaquin County California.

I identified and addressed my complaints to the Stockton and Modesto AMR offices only to be IGNORED.

I then addressed and identified my complaints to the Agency who REGULATES Ambulances NAMELY.

Emergency Medical Services Agency
DARRELL CRAMPTON EMS Coordinator
CLEARANCE ^{CLEARANCE} TEEIN prehospital care coordinator
P.O. Box 1020, STOCKTON California 95201
Tele (209) 468-6818.

W. Mayer:

Walter (Nmi) Mayer DFC
1413 Mariposa way
Lodi, California:

Tele (209) 368-2586
Page 3 of 3



San Joaquin

Emergency Medical Services Agency

A Division of Health Care Services

February 13, 1998

Walter Mayer
316 W. Oak
Lodi, CA 95240-3402

Dear Mr. Mayer:

I appreciated the opportunity of meeting with you and Supervisor Barber in January to discuss your concerns regarding the ambulance bill sent to you by American Medical Response (AMR). The Emergency Medical Services Agency staff have had a chance to review your case, by auditing the medical record and speaking to the AMR staff involved in your care. We have also reviewed our policies and procedures.

I have listed below your issues, and provided a response to each, based upon our investigation. For some of the issues, there is a recommendation for action which are also listed below. Give me a call at 468-6600 if you have any further questions or desire clarification on any of the areas listed. Please note that the issues are listed in the order you raised them and not by order of priority.

Issue #1: Why did the AMR ambulance arrive after the fire department? Shouldn't the fire and ambulance arrive simultaneously?

The ambulance and fire department are dispatched simultaneously but generally do not arrive simultaneously because they respond from different station locations. Lodi Fire Department is the first responder for your neighborhood and typically arrive first because they have units dispersed throughout the city. As first responder, Lodi Fire Department's job is to initially stabilize the patient, provide basic resuscitation and initial basic life support care (maintaining an airway, circulation and scene stabilization). Although the ambulance is dispatched simultaneously, it typically arrives after Lodi Fire Department. There are times, however, where the ambulance arrives prior to the Fire Department. The difference is based on unit location at the time of the call.

Issue #2: EMT Pollard inserted an IV without my consent.

Before proceeding to answer this questions, let me point out that the paramedic who cared for you is named Julie Ballard. We discussed the case with Paramedic Ballard and Dr. Marc Krueger, Medical Director for the EMS Agency. Dr. Krueger reviewed the appropriateness of the care rendered.

Walter Mayer
Page Two

When questioned, Paramedic Ballard says she explained her reasons for the need for the IV and that she explained and that she obtained your consent prior to inserting an IV, but she acknowledges that you initially did not agree to it. In regards to the questions of whether or not the IV was appropriate, Dr. Marc Krueger evaluated your care by reviewing the Prehospital Report form. According to the documentation, Ms. Ballard found you pale, sweating and "vomiting violently". In addition, the EKG monitor indicated a heart rhythm that was not stable. Dr. Krueger states the opinion that the IV was appropriate given your weakened clinical condition and given your heart rhythm. Dr. Krueger feels that according to the County's paramedic treatment protocol, drug therapy through an IV access point was appropriate. Dr. Krueger concludes that the paramedic level of care provided was appropriate and the ALS charge was also appropriate.

Recommendation: Based on the review, several things are apparent. Mr. Mayer, you do not feel you had given consent which is at odds with Paramedic Ballard who feels you gave consent. Dr. Krueger feels that an IV was appropriate therapy given your clinical condition and that the care was in compliance with County policies and procedures. There is no evidence that Paramedic Ballard had any financial interests in starting an IV and that her reasons for starting it were only to assist you. Based on this, my conclusion is that the ALS care and charge were appropriate and that AMR paramedic staff performed appropriately. But, in consideration of your strong feelings about this issue of consent, I requested and AMR voluntarily accepted the request to reduce your ALS base rate charge to a BLS base rate. This means a refund of \$166 (\$519 minus \$353) to you. Because Medicare and your private insurance have already paid for this ambulance bill, the check will be made out to you. You may wish to make any adjustments with your insurance carriers.

15 miles

Issue #3 Why doesn't the driver of the ambulance know how to get to Lodi Memorial Hospital?

The total distance to the hospital was 1.4 miles. The AMR staff says getting to the Hospital was not an issue. They do not recall asking you for directions.

Issue #4 The mileage charged to you was incorrect. You were billed for 15 miles. instead of 1.5 miles. In 1996, you had a bill reflecting a charge of \$11.03. This time you were billed \$165.00.

AMR acknowledges that you were overbilled for mileage. They believe someone in the billing office missed the decimal point. Your bill needs to be adjusted by \$143.00.

Recommendation: AMR will issue a refund/adjustment to you in the amount of \$143.00 to reflect the overcharge on mileage. Since your insurance company and MediCare have already paid for the bill, you may wish to make an adjustment with them.

Issue #5 The ambulance bill had no local contact for questions - instead there were 800 telephone numbers, as well as addresses in other, non San Joaquin County cities. When you tried to get information from the ambulance stations, no one was there.

EMS Agency staff has in the past and again recently discussed with AMR the need to have a local contact for patient questions regarding ambulance bills. As a result, AMR has moved staff to San Joaquin County to handle the initial billing of calls originating in San Joaquin County. They are also available to answer questions. EMS Agency staff also suggested that a local number be listed on the bill so as not to confuse the public or patients. If that is not possible, then the telephone number listed must be answered by individuals who can effectively deal with the patient's questions for their locality, rather than give a "corporate" answer. The complaint noted to AMR is that there is no local recourse individuals can pursue, based on the information given in the bill alone.

Recommendation: AMR is looking into ways to make the local staff that are based within the County to be more available to answer questions. AMR staff is investigating how that can best be done (e.g. bill, phone book, advertisements, station information, etc).

Issue #6 When you found finally were able to find AMR staff, the staff (Pat Christian) appeared initially to be unwilling to share the fee structure for the company. In addition, he was not able to clearly answer your question regarding the difference between a BLS and ALS charge.

Pat Christian recalls speaking with you at the Station. He indicated he was willing to help you and was saddened to hear that he did not answer your questions in a satisfactory manner.

Issue #7 Concern that AMR is the only ambulance provider in the County, which creates a monopoly situation in the County.

Currently, AMR is the largest ambulance provider in the County. In addition, there are four other ambulance providers: Manteca District Ambulance, Escalon Community Ambulance, Ripon Fire Department and A-1 Ambulance. All of these four providers are separate from AMR. AMR has become the largest ambulance provider in

Walter Mayer
Page Three

the County because of mergers of ambulance providers over the past six years. The County is not allowed to grant a monopoly without going through a bid process.

Your comments are appreciated, and will be used to make improvements in our system. Please let me know if I can answer any further questions for you.

Sincerely,



Elaine L. Hatch
EMS Director
Permit Officer Designee

/dl

MAYER

cc: Supervisor George Barber
Michael N. Smith, Director, Permit Officer

EMS



San Joaquin

Emergency Medical Services Agency

A Division of Health Care Services

13 May 2002

Walter Mayer
316 W. Oak
Lodi, California 95240-3402

Dear Mr. Mayer:

I enjoyed speaking with you the other day in my office. Your comments regarding the possible lack of reimbursement of the previously discovered billing errors for service in 1997 (Trip # MOD-00035480-01) were troubling. American Medical Response had assured me reimbursement occurred. After our meeting I contacted AMR and requested they provide proof of payment.

Attached are copies of checks written by AMR to refund your insurance companies for the billing mistakes identified during our investigation. The refund to your insurance companies instead of you is appropriate since your insurance paid for your transportation expenses. Above each check is the trip number, previously identified above, that links the reimbursements to your specific invoice (copy attached). The reimbursement covers both the mileage overage and the adjustment in service from Advanced Life Support (ALS) to Basic Life Support (BLS).

I hope this additional documentation addresses your concerns. Feel free to give either Darrell Cramphorn or myself a call if you have further questions. I may be reached at 209 468-6610 and Darrell's telephone number is 468-6818.

Sincerely,

Elaine L. Hatch
EMS Director

WalterMayer05-2002

cc: Jack Sieglock, Supervisor
Roger Speed, Director, Health Care Services
Darrell Cramphorn, EMS Coordinator

Enclosures

Acct 123571

trip # MOD-00035480-01

3/4/2000 10:44 AM

DOCUMENT HAS A COLORED BACKGROUND AN ARTIFICIAL WATERMARK IS PRESENT ON THE REVERSE SIDE.

AMR
2821 South Parker Road, 2nd Floor.
Aurora, CO 80014
(303) 614-8500

096
553183563

The First National Bank of Chicago
Chicago, IL 60661 70-2322719

0551 DATE 03/10/1998 CHECK NUMBER 00166320

PAY Forty one and 48/100 Dollars Only

TO THE ORDER OF AETNA LIFE INS.
P.O. BOX 12340
FRESNO, CA 93765

AMOUNT \$ 41.48

Lino Z. Braggio
VOID AFTER 90 DAYS

⑈00166320⑈ ⑆076923226⑆ 94 26310⑈ ⑆000000414B⑆

ENDORSE HERE

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE
EXCEPT BY BANK, SAVINGS INSTITUTION OR

FOR DEPOSIT ONLY
AETNA U.S. HEALTHCARE

3503 15146

APR 15 1998

5535 2725

⑈00166320⑈

CDVollID/CIMBKey	Account	Serial Number	Amount	Issue Date
19980430214001	9426310	166320	\$41.48	03/10/1998
Bank ID	Sequence	Location	Paid Date	
71000013	8920102	CD	04/16/1998	

trip# MOD-00035480-01

3/4/2000 10:43 AM

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AMR
The First National Bank of Chicago 70-2322719
Chicago, IL 60661

2821 South Parker Road, 2nd Floor
Aurora, CO 80014
(303) 614-8500

9809695412

DATE 03/31/1998 CHECK NUMBER 00181456

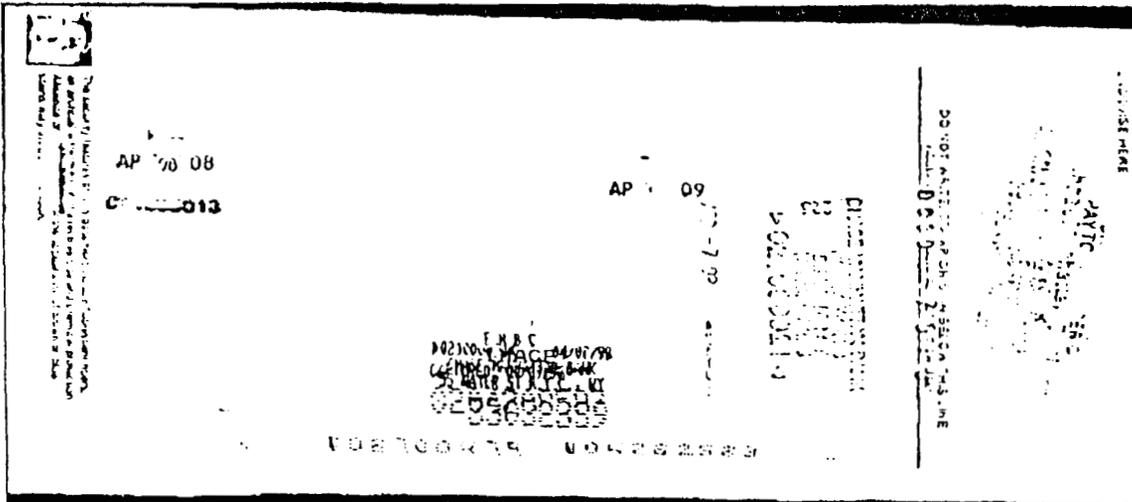
PAY One hundred sixty five and 92/100 Dollars Only

TO THE ORDER OF NATIONAL HERITAGE INSURANCE CO
MEDICARE CASH RECEIVING
P.O BOX 391
MARYSVILLE CA 95901-0391

AMOUNT \$ 165.92

Alino Z. Pozzo
VOID AFTER 90 DAYS

⑈00181456⑈ ⑆071923226⑆ 94 26310⑈ ⑆0000016592⑆



CDVolID/CIMBKey	Account	Serial Number	Amount	Issue Date
19980430214001	9426310	181456	\$165.92	03/31/1998
Bank ID	Sequence	Location	Paid Date	
71000013	8700479	CD	04/09/1998	

Trip # MOD-00035480-01

3/4/2000 10:41 AM

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AMERICAN EXPRESS
 2821 South Parker Road, 2nd Floor
 Aurora, CO 80014
 (303) 614-8500

The First National Bank of Chicago
 Chicago, IL 60661 70-2322719

DATE 06/09/1998 CHECK NUMBER 00230725

PAY One hundred sixteen and 14/100 Dollars Only.....

TO THE ORDER OF NATIONAL HERITAGE INSURANCE CO
 CASH RECEIVING-MEDICARE
 PO BOX 391
 MARYSVILLE, CA 95901

AMOUNT \$ 116.14

Eino J. Pozzo
 VOID AFTER 90 DAYS

⑈00230725⑈ ⑆074923226⑆ 94 26360⑈ 9816326610⑈

ENDORSE HERE

FOR DEPOSIT ONLY
 PAY TO THE ORDER OF
 FIRST NATIONAL BANK NA
 NEW YORK
 NATIONAL HERITAGE DISCOUNT COMPANY
 FEDERAL HEALTH INCUBATOR
 100 W 55th St
 NEW YORK, NY 10019
 DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE
 ALL INFORMATION SUBJECT TO OUR POLICY

JE 06 11
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CDVOLID/CIMEKey	Account	Serial Number	Amount
1998063D064501	9426310	230725	\$116.14
Bank ID	Sequence	Location	Paid Date
71000013	8621356	CD	06/17/1998

THE ADVANTAGES OF IMPLEMENTING A PUBLIC
SECTOR BASED ALS PROGRAM

A POSITION PAPER

Presented to Bob Moreno

California State University, Long Beach

In Fulfillment

Of the requirements for the course

OCST, Independent Study

By Jeff S.Larson

BS, 2002, CSULB

March 2002

My objective is to research and evaluate the options for establishing a public sector based Advanced Life Support (ALS) program or paramedic engine company system within the City of Lodi, California and make a recommendation. The role of the fire service is drastically changing. Major events such as 9/11 or common everyday occurrences like a house fire have a major impact on the public sector when it comes to delivering one of its services, fire protection. Under the umbrella of fire protection comes many things, such as trench, low and high angle rescue, hazardous materials calls vehicle extrication and the like. Originally volunteer companies were established to reduce fire loss in the local community. As time progressed insurance companies were established and started paying people to put out fires on homes with their firemark. That was the beginning of fire service in this great nation. What I am talking about occurred within the last three decades. The advent of emergency medical calls being handled by the public sector basically began in the early 1970's. It occurred mainly, because firemen were considered the jack of all trades. If one did not know what to do in an emergency, one would call the fire department for help. Beginning in the mid 1970's Los Angeles County Fire Department began a new program of providing paramedics at the scene of an emergency. These paramedics would provide an advanced level of medical care in the field. This has transformed from something we also do, into a major role for the modern fire service. In January of 1972 a new television show was aired. This program, as stated by Ludwig (2000) "Emergency had a dramatic impact on the development of EMS and the shaping of the careers of many people". This show affected how millions of people viewed the fire service. This in turn had a large impact in the development of EMS in the US. In most communities emergency medical calls encompass between 60% and 80% of all emergency calls. In the city of Lodi 69.25% of all calls were emergency medical calls in calendar year 2001. According to the of the San Joaquin Emergency Medical Services Agency (M. Voelker personal communication) approximately one half of all emergency medical service calls are ALS based. The provider of this service must be able to support

this high volume of calls, provide a high level of service, competent employees, rapid response times and have a reasonable cost associated with the service provided. Who is best prepared to provide these above-mentioned items to our community? Is it the private sector or fire department based ALS service? More specifically what are the advantages and disadvantages of fire service based paramedics providing ALS to the community?

The advantages and disadvantages are many, so much so that they co-mingle quite frequently. They encompass the gamut. The examples are numerous and the following is a partial list of some of these advantages and disadvantages. Fire based ALS would supply faster response times, fire ALS would assist with justification of existence, services would not require any additional associated cost to the patient, there is a certain level of expectation by the community that the fire department provide medical care. There is an increased value to citizenry by individuals cross-trained to do many tasks. If transport were provided, there would be an increased number of ALS units if the private provider remained. Excess revenue would be placed in the general fund and would go towards community projects. Having a current structure in place would help reduce the costs for the increased level of service. There is a certain level of trust that the community has for the fire service. EMS providers are required by law and by patient expectation to provide appropriate medical treatment to any patient who needs it (Becknell and Ostrow, 1996). Accepted response practices would utilize a fire apparatus to respond to most medical emergencies. Since they are responding, does it not make sense that they provide the highest level of care possible? One of the negative impacts is a large initial investment and recurring costs if the ALS provider does not provide transport. In this scenario or option number three of Lodi's plan, paramedics would be placed on the engine companies and not initiate transport. The initial outlay would cost a little over one million dollars. This large capital outlay would only actually directly affect between 2%-8% of the community's constituents annually. The primary item to remember is that even if you do not transport you have raised the level of service you

provide to the community. If you provided transport, the possibility of the existing provider remaining would reduce revenue streams through sharing of transport responsibilities. You would be responsible for transporting patients out of town, thus possibly reducing staffing levels within the city. This is countered by the fact that you would have additional personnel on duty each day. Funds made through patient transport would not go directly back to the fire department. They would go directly to the General Fund. Menkin, (1996) stated that managed care organizations look for providers that offer full service, cost effective medical care. Consequently, a single dimensional EMS provider that can run only ALS calls will be a clear loser. There is always some difficulty in collecting funds; hence a low collection rate and a lack of business experience make it difficult for fire service managers to compete with private industry who have been in the business for tenure.

Fire life safety procedures such as Building and Fire Codes, fire resistive structural members and components, sprinkler systems, advanced water delivery systems and highly trained firefighters have reduced the number of fatalities over the past decade. The average annual loss of life in the US in the 1960's was around 10,000 people annually. This rate has been declining fairly steadily since the 1960's. Currently the average annual loss of life is between 4,000 and 5,000 people. This factor along with others has required the fire service to glimpse into different arenas to justify our existence. Exactly like any other business, we must turn a profit. The profit, in fire service is not always tangible, like money. We are service oriented and must provide a needed service to justify our existence. In the debate between the private and public sector regarding who should provide EMS services, there has been little if any concern for patient care. The emphasis has been on how much money could or might be saved (Brame, 1995). When it should be placed on how many more lives might be saved or how might we improve the standard of care. In many instances we should not try and convert the services rendered into a dollar amount, rather we should attempt to assess the

return on investment. For example, a competent ambulance unit arrives on scene with a paramedic on board under the local governing jurisdictions allotted time. They then charge the insurance company for their services. Unfortunately, that loved one is lost to cardiac arrest. Now, take that same scenario with a few adjustments. The local fire department has just spent one million dollars hiring and training paramedics, securing ambulances and equipment. They respond to the call. Since there are more available units in closer locations they arrive in one half the time. The fire department paramedic on board the engine or ambulance intubates the patient, shocks him with an Automated External Defibrillator and dispenses pharmacology. This patient is converted because he was still in ventricular fibrillation when the fire unit arrived due to their reduced response time in comparison to the private ambulance provider. They are released from the hospital two weeks later. How much was that citizen's life worth? Was it worth a partial amount or the whole one million dollars? Who sets the amount? Society associates or perceives something as valuable, at what point is it more valuable than money? It is when life is involved directly. The question now is not to ask was it worth it. The question is how do we calculate the return on investment. For a private ambulance provider it is a return on investment if they turn a profit and can stay in business. For the fire service, it is a perception to the governing body and the citizens to whom they provide this valuable service.

Times of recession and budget cutbacks require all the more that the fire service be able to justify it's existence with a multi tasked work force capable of handling the many facets of emergency services. Firefighters trained to the level of paramedics would provide the community with an increased level of service with a minimum amount of cost. A large capital outlay is needed and can be offset if transport is provided by the providing agency. However, if an agency does not transport you must quantify the costs versus the services provided. An article by Jack Stout (1987) lists seven advantages of paramedic engines. Among those, he states, "ALS engines are our industry's least

expensive means of rapidly delivering paramedic capability to the scene”. Additionally, he states that the “use of ALS engines improves the productivity of the entire fire department” and that “crews working ALS engines are not just cross trained, they are also cross utilized every day”. It is this type of training that brings the fire department engine companies to utilize the capabilities of their personnel to the fullest. This is done with a minimal amount of resources while returning a valuable asset. The structure of the fire department hierarchy is in place, including modes of transportation, with a little training and education a multi-faceted and capable firefighter can become a paramedic. When you transport, billing of the insurance companies can offset these costs. Some citizens are afraid of this billing. They believe that they might be getting double taxed. This is actually not the case. The service provided will be billed to the insurance companies for compensation, not to the private citizen. The fire department is mandated by law to respond to these types of incidents. Does it not make sense to provide the highest level of service available to the community, since fire units are responding nonetheless? In a research paper by Fiero (1990) the benefits of utilizing paramedic engine companies in the delivery of emergency medical services was reviewed. In that paper with the use of fire based ALS service, the community was given he noted “a more productive and effective use of emergency personnel, reduced operational costs, and improved services to the community at lower costs”. In regards to ALS engine companies Stinette (1994) noted that the advantages of a paramedic engine company are: “cost effectiveness, a reduction in response times, increased productivity, increased level of staff for fire apparatus, and greater flexibility in providing service”. What is needed is the expansion of services by the public sector to make existing services more valuable to the taxpayer (Thorp, 1997). Opponents of privatization and public-private competition often cite that such methods rarely reduce government costs. However, more than 100 studies in the last 20 years have documented cost savings (Thorp, 1997). Thus proving that an ALS trained multi faceted firefighter provides the taxpayer with the most bang for their buck. The

firefighters who work in the community generally speaking have a higher regard for their community. They are giving back to their community, whereas a private provider is a generally a large conglomerate or Fortune 500 company, with it's headquarters outside of the US for tax purposes. The fire service must halt the fragmentation of services by the private sector (Thorp, 1997). In order for the fire service to sustain in this ever-changing environment it must increase its public service to the community. Providing ALS is one of those avenues to achieve that goal.

The concept of providing a multi-faceted, cross-trained worker is nothing new in this country or society. The last quarter century has seen many companies emerge solely to provide businesses with consultation on how to ascertain more productivity from their employees. The fire service is in the business of getting productivity from our employees. We are cross-trained, multi faceted and provide a service that most others do not desire to do. The training we have received has provided us with the tools to provide a better service for the community at a lower cost. If we do not provide adequate service, we are no different than any private business, another agency can come in and contract out their services and put us out of business. Is that in the best interest of the community? Generally speaking, the answer is no. Through reduced operational costs, reduced response times and with a hierarchy that is already in place this appears to be a logical step for the fire service to take. Reduced response times are a major consideration in providing ALS care. Lodi Fire Department would provide a minimum of three ambulances in the city strategically located while, AMR would have between one and three dependent upon the situation. The start up costs of the program in Lodi would be approximately \$1.2 million for twelve paramedics and one administrator. According to Patrick Ho (Ho, 2002) utilizing a financial model including; standard collection rates coupled with the purchase of equipment, supplies and overhead costs, the City of Lodi Fire Department would generate approximately \$103,000 in revenues annually. These numbers would be slightly reduced if AMR remained and provided joint transport. The

cost of the programs, whether fire or privately based is basically the same. Firefighters have a tie to the community and the revenues would return to the community in the form of street lighting, art, or sidewalks for community improvement. In the case of private industry that revenue stream goes to the shareholder that only cares about their dividends.

International Association of Firefighters President Alfred Whitehead (1996) states that “whether for fires or medical emergencies, the only way to assure quick and effective response is to have units close to the scene of the events”. “As many communities have discovered, the way to handle these needs is to upgrade engine companies to ALS paramedic engines.” He continues on to state that an International Association of Fire Fighters study of the different methods of delivering EMS “determined that ALS engine companies have a faster response time than ambulance based EMS, while posting no loss in fire response time or fire suppression capabilities”.

Can we truly and honestly justify an increased level of service to the community at this cost? The answer is yes, definitely yes. The scales are askew; the good far outweighs the negatives. This increased level of service will have a definitive and positive impact on this community, an impact that is well worth the cost.

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