



Health Services
LOS ANGELES COUNTY

Los Angeles County
Board of Supervisors

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www.dhs.lacounty.gov

To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners.



www.dhs.lacounty.gov

December 13, 2016

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVAL OF ACTIONS RELATED TO THE PROVISION OF
EMERGENCY AMBULANCE TRANSPORTATION SERVICES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Approval of contract actions for the provision of emergency ambulance transportation services on a non-exclusive basis in the contested exclusive operating areas 2, 3, 4, and 5.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Director, or his designee, to execute Amendments to the current Emergency Ambulance Transportation Services Agreements effective upon Board approval with the contractors listed in Attachment A for the contested exclusive operating areas (EOAs) 2, 3, 4, and 5, to change the expiration date of the contractors' period of exclusivity in each operating area to coincide with the State action antitrust immunity expiration date of November 30, 2016, and add new Board-required provisions.
2. Delegate authority to the Director, or his designee, to execute agreements with qualified providers to perform emergency ambulance transportation services on a non-exclusive basis for the currently contested EOAs with two (2) weeks' advance notification to the Board and the Chief Executive Office (CEO), effective upon execution and on a month-to-month basis until successor agreements are approved by the Board and such contractors begin to provide services as the exclusive providers in their respective EOA(s).

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

19 December 13, 2016

LORI GLASGOW
EXECUTIVE OFFICER

3. Acting as the Governing Body of the Fire District, delegate authority to the Fire Chief, or his designee, to execute agreements with providers who receive a Department of Health Services (DHS) Emergency Ambulance Transportation Services Agreement on a non-exclusive basis for the currently contested EOAs for the provision of advanced life support (ALS) billing services, effective concurrently with the providers' DHS agreements and on a month-to-month basis the successor agreements are approved by the Board and such contractors begin to provide services as the exclusive providers in their respective EOA(s).
4. Delegate authority to the Director, or his designee to suspend or terminate the non-exclusive Emergency Ambulance Transportation Services Agreements on behalf of County in accordance with the applicable suspension and/or termination provisions in the agreement(s).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

State Action Antitrust Immunity Background

California's Emergency Medical Services System and the Prehospital Emergency Medical Care Personnel Act (EMS Act) permits counties to develop emergency medical services programs. California Health & Safety (H&S) Code Sections 1797 through 1799.200 require counties that choose to develop an Emergency Medical Services (EMS) program to designate a local EMS agency which will have primary responsibility for the administration of EMS in the county, including ambulance and paramedic services. H&S Code Sections 1797.85 and 1797.224 allow the local EMS agency to create one or more EOAs for "emergency ambulance services or providers of limited advanced life support or advanced life support". H&S Code Section 1797.6(b) states the Legislature's intent to prescribe and exercise the degree of state direction and supervision over EMS, as well as provide for State action antitrust immunity under federal antitrust laws, for actions undertaken by local governmental entities in carrying out their prescribed EMS functions, specifically in the creation of EOAs

In February 1997, the California Emergency Medical Services Authority (EMSA) issued guidelines for the Competitive Process for Creating EOAs. These guidelines require that the complete solicitation process (Requests for Proposals [RFP]) must be repeated at periodic intervals. While the guidelines state the period between RFP requests should be established by local EMS agency policy based upon population, initial investment in provision of service and other relevant factors, EMSA has taken the stance that the competitive process periodic interval may not exceed ten (10) years in order for EMSA to provide State action antitrust immunity to the local governmental entities. The current Emergency Ambulance Transportation Services Agreements were issued in June 2006.

DHS released the RFP on February 4, 2016, approved by EMSA as required by H&S Code Section 1797.224, to identify the most qualified proposer(s) for emergency ambulance transportation services 9-1-1 response. DHS, anticipating that it would receive an extension of the State action antitrust immunity to complete the solicitation process for the new Emergency Ambulance Transportation Services 9-1-1 Response Agreements (including any protest process), requested and received approval from the Board on April 12, 2016 to extend the current agreements until December 31, 2016, with the option to further extend for up to an additional six (6) months. On July 15, 2016, EMSA informed DHS that it would extend the State action antitrust immunity only through November 30, 2016.

DHS completed the RFP process and received protests from two proposers for the following EOAs: 2, 3, 4, and 5, and is thoroughly evaluating the submitted protests in accordance with the Board's protest policy for the contested EOAs. Agreements for the uncontested EAOs were approved by the Board on November 29, 2016 with an effective start date of December 1, 2016.

Recommendations

Approval of the first recommendation will allow the Director or his designee to execute Amendments, substantially similar to Exhibit I, to the current Emergency Ambulance Transportation Services Agreements effective upon Board approval with the providers in the contested EOAs, listed in Attachment A, to ratify the expiration date of the providers' exclusivity in those contested EOAs to coincide with the State action antitrust immunity expiration date of November 30, 2016. The current agreements are scheduled to expire on December 31, 2016. The Amendments will allow the current providers to continue to operate in their respective EOA on a non-exclusive basis. DHS will utilize its delegated authority received from the Board on April 12, 2016 to extend these agreements beyond the December 31, 2016 expiration date on a month-to-month basis for up to six (6) months or until the conclusion of the protest process, whichever occurs first. In addition, approval of the recommendation will allow the Director or his designee to add the newly-required provisions of the Board's Zero Tolerance on Human Trafficking Policy.

Approval of the second recommendation will allow the Director or his designee to execute agreements with providers selected through a qualifications process to perform emergency ambulance transportation services on a non-exclusive basis in the currently contested EOAs. The EMS Agency will work with the jurisdictional fire departments and their respective dispatch centers in the contested EOAs to develop a deployment/dispatch plan. The Board and CEO will be notified of such plan two (2) weeks prior to the execution of any agreements, which will be effective upon execution and continue on a month-to-month basis until the protest process has concluded, the successor agreements are approved by the Board, and such contractors begin to provide services as the exclusive providers in their respective EOA(s).

Approval of the third recommendation will allow the Fire Chief, or his designee, to execute agreements with providers who receive a DHS Emergency Ambulance Transportation Services Agreement on a non-exclusive basis for the currently contested EOAs that are within the Fire District's jurisdiction for the provision of ALS billing services, effective concurrently with the providers' DHS agreements and on a month-to-month basis until the protest process has concluded and successor agreements are approved by the Board and such contractors begin to provide services as the exclusive providers in their respective EOA(s).

Approval of the fourth recommendation will allow the Director or his designee to suspend or terminate the Emergency Ambulance Transportation Services Agreements on behalf of County in accordance with the suspension and/or termination provisions of the agreement.

Implementation of Strategic Plan Goals

The recommended actions support(s) Goal 3 – Integrated Services Delivery, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

Emergency Ambulance Transportation Services Agreement

There is no exchange of money under the Emergency Ambulance Transportation Services Agreements. The County provides certain in-kind services including support services and dispatch services, as applicable, in exchange for the transport of County-responsible patients. For the transport of all other patients, the contractors bill the appropriate responsible party.

Advanced Life Support Billing Agreement

The Fire District's 2016-17 Budget includes \$9.1 million for ALS revenue for all EOAs in which the Fire District is the jurisdictional fire department including the recently awarded uncontested EOAs and the contested EOAs. This revenue is an integral part of the Fire District's emergency services funding.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Emergency Ambulance Transportation Services Agreement

As a means of satisfying a 1986 ruling by the California Court of Appeals, which held the County responsible for the provision of emergency ambulance transportation services 9-1-1 response to all residents of the County, including persons within incorporated areas, DHS created EOAs for contract providers, as authorized by H&S Code Section 1797.224. Pursuant to this statute, a local EMS agency may create one or more EOAs in the

development of a local plan if a competitive process is utilized to select the provider or providers of the services pursuant to the plan. No competitive process is required if the local EMS agency develops or implements a local plan that continues the use of existing providers operating within a local EMS area in the manner and scope in which the services had been provided, without interruption, since January 1, 1981. A local EMS agency which elects to create one or more EOAs in the development of a local plan is required to develop and submit for approval to EMSA, as part of the local EMS plan, its competitive process for selecting providers and determining the scope of their operations.

As of December 1, 2016, the County has five (5) EOAs that are serviced by a contractor as an exclusive provider. Two proposers are contesting the remaining four (4) EOAs and services within such areas are being provided on a non-exclusive basis by the current provider in each of the respective areas under its current Emergency Ambulance Transportation Services Agreement for a limited term. Any other providers that request

and submit an application to provide services within the boundaries of a current EOA and who are determined to be qualified, and can demonstrate the provision of service on a timely and effective basis, will have similar provisions for a limited term of non-exclusive operations. A map of the temporarily non-exclusive areas is provided as Attachment B. At the conclusion of the protest process, DHS will return to the Board with recommendations for award of agreements for the contested EOAs (Attachment A).

For the remaining 29 incorporated cities in Los Angeles County, the County has contracted directly with the city governments for the provision of emergency ambulance transportation services 9-1-1 response by these cities within each city's respective jurisdiction. Because these cities have been providing services in the same manner and scope, and without interruption, since January 1, 1981, they are exempt from the competitive process requirement pursuant to H&S Code Section 1797.224.

Advanced Life Support Billing Agreement

The Fire District provides fire protection and emergency medical services to 57 of the 88 incorporated cities and all of the County's unincorporated area that will receive emergency ambulance transportation services 9-1-1 response through the award of six of the nine EOAs. While ambulance personnel are responsible to provide basic life support (BLS) services to the patients they transport, Fire District paramedics provide a higher level of care, known as ALS, for those patients who need such care both before and during transport to the hospital. The Fire District has 100 paramedic units that provide ALS services, and respond to approximately 161,000 calls per year in which Fire District paramedics provide ALS service in the ambulance during patient transport to the medical facility.

In April 2001, and again in May 2006, the Board authorized ALS Billing Agreements with approved ambulance companies through which a "paramedic pass through fee" program

was implemented for services provided by Fire District paramedics. This paramedic pass through fee reflects the difference between the BLS fees that ambulance companies charge for emergency transports and the higher level fees that are allowed when a Fire District paramedic provides medically necessary ALS services during transport. The ALS services fee limits are established by the County or other governmental agencies, such as Medicare. The ambulance companies bill for the Fire District's ALS emergency transports on behalf of the Fire District and remit payment to the Fire District.

All Agreements

The Agreements include all Board of Supervisors' required provisions, including the most recent provision – Compliance with County's Zero Tolerance Human Trafficking Policy.

County Counsel has approved Exhibit I as to form.

CONTRACTING PROCESS

DHS will post on its website the estimated protest process timeframe and the areas that will be temporarily non-exclusive during the protest process period. Providers may contact DHS to obtain an application to provide such non-exclusive services. DHS will review submitted applications and will execute agreements with qualified providers for emergency ambulance transportation services on a non-exclusive basis.

At the conclusion of the protest process, DHS will return to the Board for approval of successor agreements with the selected proposers.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will ensure that emergency ambulance transportation services will continue without interruption in the contested EOAs for the residents of Los Angeles County and allow for the Fire District to recover costs associated with its provision of ALS services.

Respectfully submitted,



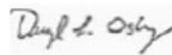
Mitchell H. Katz, M.D.
Director

MHK:es

Enclosures (3)

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

Respectfully submitted,



Daryl L. Osby
Fire Chief

Contested Exclusive Operating Areas

Exclusive Operating Area	Current Contractor	Top Ranked Proposer*	Annual Subsidy Amount
2	Schaefer Ambulance Service, Inc.	Schaefer Ambulance Service, Inc.	\$0
3	Schaefer Ambulance Service, Inc.	Care Ambulance Services, Inc.	\$0
4	American Medical Response of Southern California	Care Ambulance Services, Inc.	\$0
5	Care Ambulance Services, Inc.	Care Ambulance Services, Inc.	\$0

*Subject to change. Non-selected proposers are currently protesting the selection of the top ranked proposers in these EOAs.

LOS ANGELES COUNTY

9-1-1 AMBULANCE TEMPORARILY NON EXCLUSIVE OPERATING AREAS

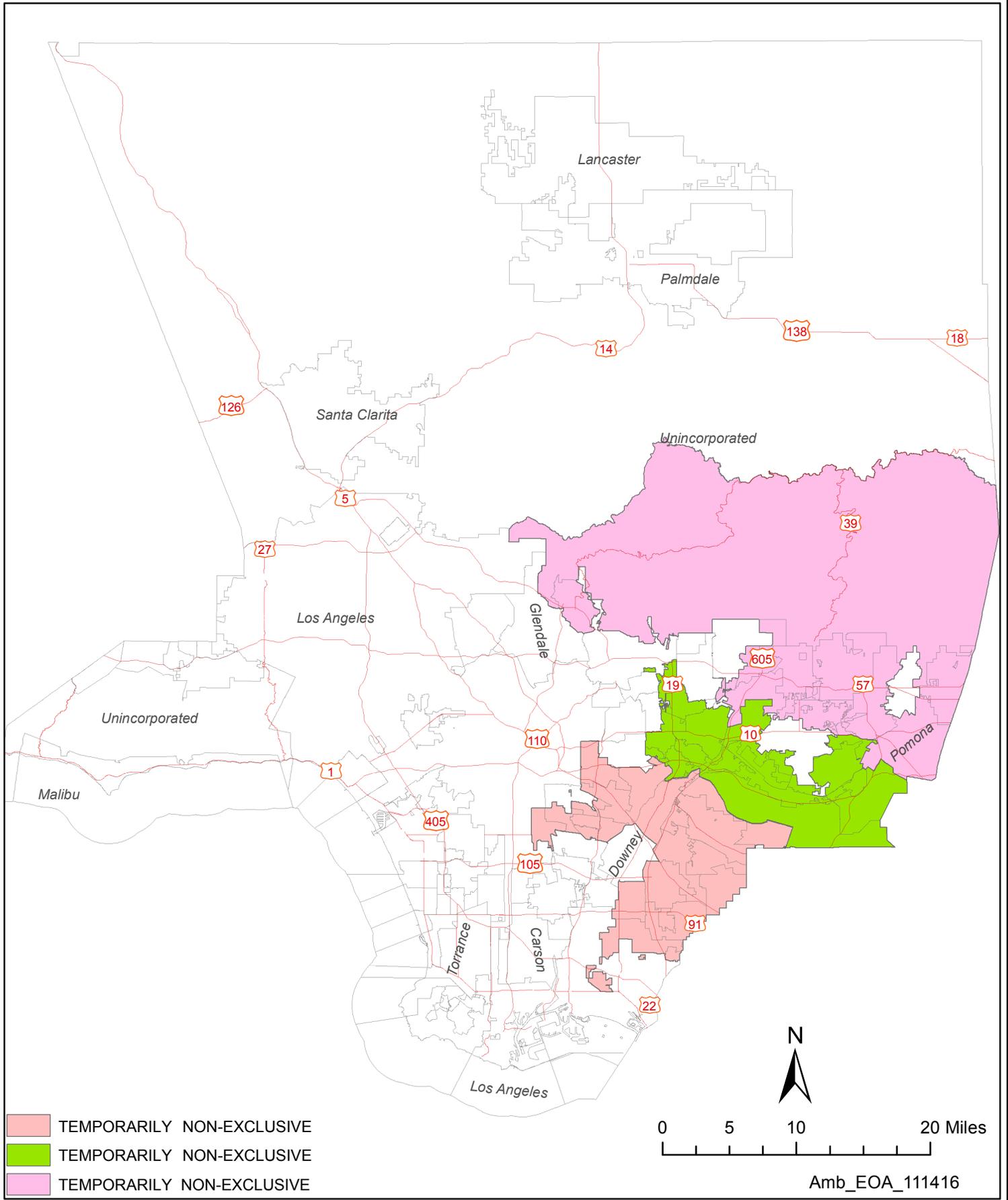


EXHIBIT I

Agreement No.: _____

EMERGENCY AMBULANCE TRANSPORTATION SERVICES

Amendment No. _

THIS AMENDMENT is made and entered into this _____ day of _____, 2016,

By and between

COUNTY OF LOS ANGELES
(hereafter "County"),

And

(hereafter "Contractor")

Business Address:

WHEREAS, reference is made to that certain document entitled "Emergency Ambulance Transportation Services," dated March 30, 2006, and further identified as Agreement No. _____, and any amendments thereto (all hereafter referred to as "Agreement"); and

WHEREAS, it is the intent of the parties hereto to amend Agreement to amend the agreement's exclusivity provisions to coincide with the expiration of the State action antitrust immunity provided by the California Emergency Medical Services Authority thereby protecting the parties from legal exposure under federal antitrust laws and provide for other changes herein; and

WHEREAS, Agreement provides that changes in accordance to Paragraph 25, Merger, may be made in the form of an Amendment which is formally approved and executed by the parties; and

WHEREAS, Contractor warrants that it possesses the competence, expertise and personnel necessary to provide services consistent with the requirements of this Agreement and consistent with the professional standard of care for these services.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

EXHIBIT I

1. This Amendment shall commence and be effective upon Board approval with such date reflected on page 1 of this Amendment.
2. Effective December 1, 2016, Agreement, Paragraph 3, Exclusivity, is deleted in its entirety and replaced as follows:

“3. NON EXCLUSIVITY: Nothing herein is intended nor shall be construed as creating any exclusive arrangement with the Contractor for operating area No. __ (excluding [name of city]). This Agreement shall not restrict the Department of Health Services from acquiring similar, equal or like goods and/or services from other entities or sources. Any reference herein to Contractor’s exclusivity is hereby null and void”

3. Agreement, Additional Provisions, Paragraph 34, Contractor’s Warranty of Compliance with County’s Defaulted Property Tax Reduction Program, is deleted in its entirety and replaced as follows:

“34. CONTRACTOR’S WARRANTY OF COMPLIANCE WITH COUNTY’S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

A. The Contractor acknowledges that the County has established a goal of ensuring that all individuals and businesses that benefit financially from the County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

B. Unless the Contractor qualifies for an exemption or exclusion, the Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this Agreement will maintain compliance, with Los Angeles Code Chapter 2.206.”

4. Agreement, Additional Provisions, Paragraph 35, Termination for Breach of Warranty to Maintain Compliance with County’s Defaulted Property Tax Reduction Program, is deleted in its entirety and replaced as follows:

“35. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY’S DEFAULTED PROPERTY TAX REDUCTION PROGRAM: Failure of the Contractor to maintain compliance with the requirements set forth in Additional Provisions Paragraph 34 - Contractor’s Warranty of Compliance with County’s Defaulted Property Tax Reduction Program shall constitute default under this Agreement. Without

EXHIBIT I

limiting the rights and remedies available to the County under any other provision of this Agreement, failure of the Contractor to cure such default within 10 days of notice shall be grounds upon which the County may terminate this Agreement and/or pursue debarment of the Contractor, pursuant to County Code Chapter 2.206.”

5. Agreement, Additional Provisions, Paragraph 36, Time Off For Voting, is deleted in its entirety and replaced as follows as follows:

“36. TIME OFF FOR VOTING: The Contractor shall notify its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the time off for voting law (Elections Code Section 14000). Not less than 10 days before every statewide election, every Contractor and subcontractors shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of Section 14000.”

6. Agreement, Additional Provisions, Paragraph 37, Survival, is deleted in its entirety and replaced as follows:

“37. SURVIVAL: In addition to any provisions of this Agreement which specifically state that they will survive the termination or expiration of this Agreement and any rights and obligations under this Agreement which by their nature should survive, the following Paragraphs shall survive any termination or expiration of this Agreement:

Additional Provisions, Paragraph 9 (Confidentiality)

Additional Provisions, Paragraph 14 (Compliance with Applicable Laws)

Paragraph 6 (Rules and Regulations)

Additional Provisions, Paragraph 23 (Governing Law, Jurisdiction, and Venue)

Paragraph 13 (Indemnification)

Paragraph 14 (General Provisions for all Insurance Coverage)

Paragraph 15 (Insurance Coverage Requirements)

Paragraph 11 (Records)

EXHIBIT I

Paragraph 12 (Audits)

Additional Provisions Paragraph 37 (Survival)”

7. Agreement, Additional Provisions, is modified to add Paragraph 38, Compliance with County’s Zero Tolerance Human Trafficking, as follows:

“38. COMPLIANCE WITH COUNTY’S ZERO TOLERANCE HUMAN TRAFFICKING:

A. The Contractor acknowledges and certifies in Exhibit F - Zero Tolerance Human Trafficking Policy Certification, that the County has established a Zero Tolerance Human Trafficking Policy prohibiting Contractors from engaging in human trafficking.

B. If a Contractor or member of the Contractor’s staff is convicted of a human trafficking offense, the County shall require that the Contractor or member of the Contractor’s staff be removed immediately from performing services under this Agreement. The County will not be under any obligation to disclose confidential information regarding the offenses other than those required by law.

C. Disqualification of any member of the Contractor’s staff pursuant to this Paragraph shall not relieve the Contractor of its obligation to complete all work in accordance with the terms and conditions of this Agreement.”

8. Agreement is modified to add Exhibit F, Zero Tolerance Human Trafficking Policy Certification, attached hereto and incorporated herein by reference.

9. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

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EXHIBIT I

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be executed by the County's Director of Health Services and Contractor has caused this Amendment to be executed on its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By: _____ for
Mitchell H. Katz, M.D.
Director of Health Services

CONTRACTOR

By: _____
Signature

Printed Name

Title

APPROVED AS TO FORM:
MARY C. WICKHAM
County Counsel

By _____
Brian T. Chu, Principal Deputy County Counsel

**ZERO TOLERANCE HUMAN TRAFFICKING
POLICY CERTIFICATION**

Company Name:		
Company Address:		
City:	State:	Zip Code:
Telephone Number: - -		

CONTRACTOR CERTIFICATION

Los Angeles County has taken significant steps to protect victims of human trafficking by establishing a zero tolerance human trafficking policy that prohibits contractors found to have engaged in human trafficking from receiving contract awards or performing services under a County contract.

Contractor acknowledges and certifies compliance with Additional Provisions Paragraph 38 - Compliance with County's Zero Tolerance Human Trafficking Policy of the Agreement and agrees that Contractor or a member of Contractor's staff performing work under the Agreement will be in compliance. Contractor further acknowledges that noncompliance with the County's Zero Tolerance Human Trafficking Policy may result in cancellation of the Agreement, at the sole judgment of the County.

I declare under penalty of perjury under the laws of the State of California that the information herein is true and correct and that I am authorized to represent this company.

Print Name:	Title:
Signature:	Date: - -