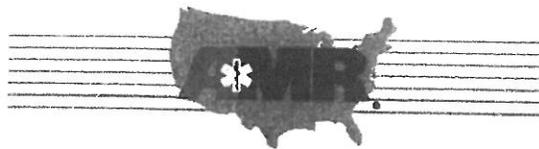


FEB 13 2012



AMERICAN MEDICAL RESPONSE®

February 8, 2012

Mr. Greg Devereaux CEO
County of San Bernardino
385 N. Arrowhead Avenue
San Bernardino, CA 92415

Re: New EMS Agreement

Mr. Devereaux,

Thank you for taking the time to meet with us to discuss the extension of the Inland Counties Emergency Medical Agency Agreement for Ambulance Services in San Bernardino County (the "Agreement") which is currently scheduled to terminate on April 30, 2012. As you are aware, in late 2010 Ms. Virginia Hastings approached the members of the San Bernardino County Fire Chiefs Association (the "Association") to discuss an extension to the current Agreement. At that time, the Association took the position that if the County of San Bernardino chose not to put the Agreement out to bid at the end of the current Agreement term, there were certain changes that it would like to see implemented by American Medical Response of Inland Empire ("AMR").

To implement all of the requested changes, ICEMA and AMR agreed to enter into a revised agreement for a three (3) year term with an optional one (1) year extension ("New Agreement"). As part of the negotiations on the New Agreement, the Association, the Inland Counties Emergency Medical Services Agency ("ICEMA") and AMR agreed to several system enhancements which will contribute to the stabilization and improvement of the EMS System, as well as patient care. The enhancements have also been shared with members of the Board of Supervisors. All parties believe the enhancements are beneficial to the EMS System. Set forth is a brief description of the enhancements. The enhancements will bring long-term benefits to the EMS System.

I. Re-supply Options of Disposable Medical Supplies. In a study conducted by ICEMA, it found that the restocking costs ranged between \$6.89 and \$7.72. As a result of the study, ICEMA and AMR agreed to the following two new restocking options:

1. A flat-rate reimbursement of \$8.00 per call for re-supply of first responder units for disposable medical supplies (ICEMA Reference 7010) utilized in direct patient care where patient is transported by PROVIDER. This flat rate reimbursement will be subject to annual re-evaluation for fair market value of supply cost and utilization.

OR

2. First responder agency(s) may re-order disposable medical supplies (ICEMA Reference 7010) utilized in direct patient care where patient is transported by PROVIDER, through PROVIDER's purchasing process. First responder agency(s) shall provide documentation as may be required to validate usage. All supplies will utilize this process except for C-PAP and IO needles which will be restocked on a one-for-one basis in the field. Supplies will be shipped directly to first responder agency.

Although option two is similar to the process utilized in May of 2004, we believe either option facilitates an efficient and improved process for re-supply of first-responder units including

reimbursement at actual costs.

- II. Exemptions from Compliance and Penalties for Non-Compliance. In response to the Association's request, AMR and ICEMA agreed to eliminate all exemptions from compliance except the Bed Delay exemption. AMR and ICEMA also agreed to increase the non-performance penalties outlined in Section XVIII of the New Agreement. The two changes in performance expectations will lead to increased accountability, mandate stricter performance and in turn an improved EMS System.
- III. Ambulance Mileage Cap. AMR has agreed to implement an ambulance mileage cap of 265,000 miles per ambulance and replace the non-complying vehicles within six (6) months of the effective date of the New Agreement. Under the new provision, AMR will purchase 24 new 911 ambulances and 6 CCT units. Even though AMR regularly inspects and maintains its ambulances according to the manufacturer's specifications during the term of the current Agreement, AMR will now have the added cost and responsibility of replacing any ambulance that reaches the cap for the duration of the New Agreement, even one in excellent working condition.
- IV. Technology Advances. As part of the New Agreement, AMR will provide Mobile Wi-Fi hot spots, which will be installed into each of its ambulances for wireless transfer of ePCR. This advance will result in improved transfer of patient care information and cost-savings of air cards utilized by first-responders. Along the same lines, AMR will utilize ImageTrend ePCR system to ensure continuity of data transfer between first responder agencies. Further, AMR will work with all PSA Communication Centers to develop a single patient identifier for patient tracking and will provide one-time partial funding to offset the cost of the ePCR tablet purchases for the first responders who currently do not have equipment. These enhancements will bring all first responders in line with the County requirement of reporting patient care records electronically.
- V. Education and Certification. To enhance the level of care provided by its employees and the EMS System as a whole, AMR agreed to commit to the following procedures as part of the New Agreement:
 1. Define the process and reporting of Strike Teams, and require training/certification of Strike Team Leaders to State standards.
 2. All Communication staff (dispatchers) will be certified as Emergency Medical Dispatchers (EMD), the highest level of dispatcher certification, within six months of the effective date of the New Agreement.
 3. Provide ICEMA with educational content to ICEMA for utilization by all ICEMA certified/accredited EMS personnel.

All of the above-mentioned enhancements are costly (in the hundreds of thousands of dollars) and require a firm financial and operational commitment from the parties for an extended period. In order to provide and implement the enhancements, AMR needs an agreement with a term of no less than three (3) years with a one-year extension to allow it to recoup the initial capital investments associated with such enhancements. A term of five years is typical in the ambulance services industry for large EMS systems. The *Community Guide to Ensure High-Performance Emergency Ambulance Service* published by the American Ambulance Association makes note of this – “the terms of the contract should be long enough (e.g. approximately five years) for provider to recoup its investment in capital costs.” (p. 56).

A three (3) year contract term with a one (1) year extension opportunity also gives the County much needed time if the County chooses to give up its rights to a grandfathered exclusive operating area under § 1797.224 of the California statutes. A RFP for an EMS System of this size may take three to four years to develop given the process established for state approvals of the EMS plan, consultant input and stakeholder meetings. The actual procurement may take upwards of a year or longer given the complexity of the process.

In closing, we believe a three (3) year term with a one (1) year extension opportunity benefits all parties involved and provides the necessary certainty. If you require any additional information or would like to discuss any point outlined in this letter, please contact me at your earliest convenience to discuss.

Very truly yours,

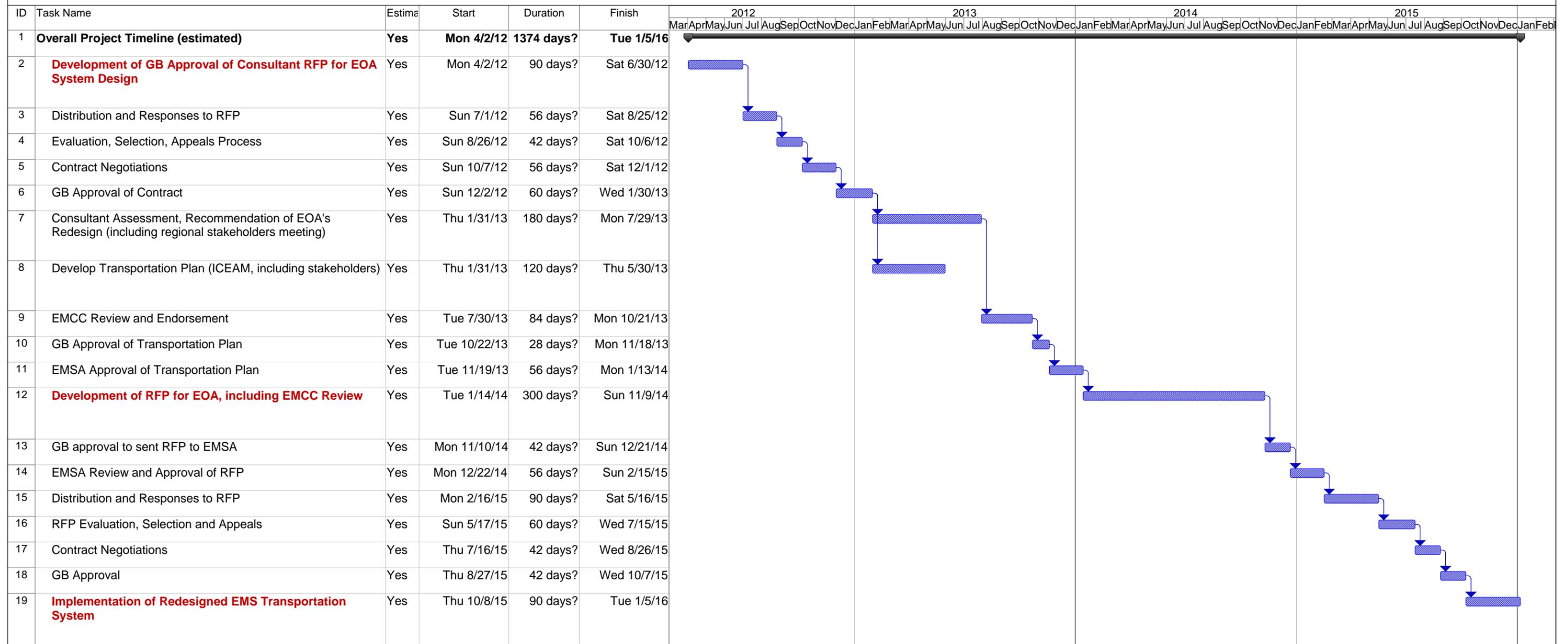
**AMERICAN MEDICAL RESPONSE
OF INLAND EMPIRE**



Renee D.S. Colarossi
General Manager

Cc: San Bernardino County Board of Supervisors
Virginia Hastings - ICEMA

REDESIGN OF EMS PATIENT TRANSPORTATION SYSTEM PRIOR TO RESULTS OF LEGISLATION (AB 1387) AND PRIOR TO PENDING DEVELOPMENT OF STATE EOA REGULATIONS MANDATED BY COURT (BUTTE COUNTY DECISION)



Date created: December 15, 2011	Task Rolled Up Progress Milestone Split Summary External Tasks Rolled Up Task Project Summary Rolled Up Milestone Group By Summary	Inactive Task Inactive Task Inactive Milestone Inactive Summary Manual Task	Duration-only Manual Summary Rollup Manual Summary Start-only Finish-only	Progress Deadline
------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------	------------------------------

Notes:
 Some steps may include sub-steps.
 Some steps may be concurrent with other steps.

Risks:

- Pending statutory changes may alter system design.
- Development of Court mandated EOA Regulations may alter system design.

DRAFT

EOA - Exclusive Operating Area
 GB - Governing Board
 EMCC - Emergency Medical Care Committee
 RFP - Request for Proposal

February 20, 2012

Virginia Hastings, Director
ICEMA
1425 South D Street
San Bernardino, CA 92415

RE: EMCC Discussions on Performance based contracts

These comments or questions were generated from the materials you sent to the members of the EMCC in preparation for the discussions of performance based contracts on February 23, 2012.

II. General Responsibilities and Duties of Provider, section I: It is unclear to me what the additional language is intended to prevent. It would make more sense to me that the personnel wear an official uniform when responding to calls or representing the agency in public or private forums. Taken literally, it could be questioned if the prehospital personnel that are assigned a 24 hour rotations must have approved uniform “at all times” even inside the station when not responding to calls or on official agency business.

II. General Responsibilities and Duties of Provider, section P: The provider has assisted the San Bernardino county paramedic training programs with this valuable resource for many years. Due to competition for paramedic preceptors in recent years from out of area programs, it would be helpful if the defining criteria of “San Bernardino County” be added. With the addition the sentence would read, “Provider shall provide paramedic preceptors for San Bernardino County prehospital training programs.

II. General Responsibilities and Duties of Provider, section Q: It is unclear what this section defines. It would seem reasonable that the provider would assist ICEMA in evaluating and implementing expanded scope programs for paramedics and EMT’s within the provider’s obligations. It is unclear how the provider is responsible for the same actions with first responding agencies. Suggested change is to remove “and first responder personnel” from this section.

V. First Responder Coordination, Section A: Either of the re-supply options is effective so long as the first responding agency fully participates in the electronic patient care data process. If there is no electronic patient care data process, then the re-supply process should not be the responsibility of the provider.

VI. Provider Dispatch Services, Section E: The requirement for EMD certification is appropriate.

XVII. Data Collection and Reporting Requirements, Section E (A): As the electronic patient care data process is more than five (5) years in progress and federal grants and penalty assessment have been used to provide this equipment, it is not appropriate that the provider continue to provide any supplemental funding to first responding agencies for ePCR hardware. Since 2006 the EMCC annual reports reflect the provider has been in full compliance with the reporting process. Continuing to assess the provider to fund first responding agencies toward implementing a long standing system requirement is questionable.

XVII. Data Collection and Reporting Requirements, Section E (B): This item is unclear. How is this section different than the continuing education programs identified in V. section H? Is this section the ICEMA web-based continuing educational program identified in the overview section to the Fire Chiefs? There are educational issues with this new addition. If the provider creates and provides ICEMA with educational materials, is the provider responsible for the criteria for continuing education as defined in regulations? If the regulatory agency (ICEMA) elects to provide continuing education, the costs and requirements should not be the providers. Further, if ICEMA elects to provide continuing education, their educational content should be approved by the Continuing Education Coordinating Board for Emergency Medical Services (CECBEMS) or at least reviewed and approved by an external regulatory agency.

XVIII. Liquidated Damages, Section C: It is my sense that the compliance rate identified at 90% (ninety-percent) is effective and realistic and there is other and appropriate language sufficient to ensure system reliability.

Thank you for the opportunity to comment on this contract.
Jim Holbrook