



**MEETING DATE: November 16, 2020**

**TO: HONORABLE MAYOR AND COUNCILMEMBERS**

**FROM: JIM SADRO, CITY MANAGER**  
**By: Rob Ferrier, Assistant to the City Manager**

**SUBJECT: APPROVE AWARD OF AGREEMENT TO FALCK MOBILE HEALTH CORP., DBA CARE AMBULANCE SERVICE, INC., FOR EMS EMERGENCY TRANSPORTATION SERVICES**

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**RECOMMENDATION:**

That the City Council approve and authorize the City Manager to enter into an agreement with Falck Mobile Health Corp., dba Care Ambulance Service, Inc., for EMS emergency transportation and ambulance billing/collection services.

**DISCUSSION:**

In 2014 the City Council awarded a contract to Care Ambulance Services, Inc., (CARE) for EMS emergency ambulance transportation services. Per the terms of the original agreement, the City approved three additional one-year extensions starting in 2016. Currently, CARE provides ambulance transportation services within La Habra, as well as patient billing, collection, and other related services.

That agreement has ended and the City has solicited proposals from fully licensed and qualified ambulance transportation companies through a request for proposals (RFP) process. The following companies responded to the RFP:

- Falck Mobile Health Corporation, dba as CARE Ambulance Service, Inc.
- Emergency Ambulance Service, Inc.

A committee composed of representatives from the City Manager's Office, the La Habra Police Department, and the Los Angeles County Fire Department (LACFD) reviewed each proposal and, in consideration of several factors including proposal cost, experience, employee staffing and training, and capability of providing patient billing and collection services, recommends awarding a contract to CARE for emergency ambulance transportation services.

Protection of public safety is a paramount goal of the City's "Annual Goals and Objectives." The awarding of an emergency transportation services agreement would help achieve that goal by supporting the City's ongoing efforts to provide core public safety services to its residents, businesses, and visitors. In addition, it would also serve City efforts to realize its core mission, which is "improving the quality of life in the community." Furthermore, the awarding of an emergency transportation contract helps to accomplish specific goals included in the City's General Plan, namely "Goal FS1," which seeks to provide "fire protection and emergency medical services that maintain the safety of La Habra's residents and property,"

and "Goal ED9," which seeks to render "systematic budget, negotiation, and operating practices that serve to strengthen the City's fiscal operating position over the long-run."

In recognition of this, the staff at the City and CARE have negotiated a proposed agreement (Attachment 1) based on the following general terms:

- An initial term of the agreement of four years. Upon the mutual written agreement of both the City and CARE, the initial term of the agreement may be extended for up to three additional 1-year periods, for a potential combined total term of up to seven years. The decision to extend the agreement beyond the initial four-year term is at the City Council's discretion; approval of the proposed agreement does not obligate the City beyond the initial four-year term.
- CARE will provide First-Tier Ambulance Service using two City-owned ambulances housed at LACFD Stations Nos. 191 and 192. As is the current practice, the City will maintain these ambulances, as well as provide a back-up ambulance in the event an ambulance is out of service due to repairs.
- In addition to First-Tier Service, CARE will provide full and complete backup EMT services using its staff, vehicles and equipment to respond to emergencies as may be required in the event both of the City's First-Tier Service ambulances and crews are occupied and unable to respond to a call for emergency transportation.
- CARE will be required to enter into a separate agreement with a qualified ambulance service company doing business in Orange County for the provision of Third-Tier Service in the event both First-Tier and Second-Tier Services are occupied and unable to respond to a call for emergency transportation.
- CARE will provide sufficient resources to ensure it is able to respond to 100 percent of all 911 and other emergency calls in the City by means of First-Tier, Second-Tier, and/or Third-Tier Service.
- CARE personnel will operate according to LACFD's three-shift schedule, with four EMTs on duty and available at all times, 24 hours a day, 7 days per week.
- CARE will provide full patient billing and collection services on behalf of the City for all patients transported by CARE within La Habra.
- CARE must provide and maintain first aid kits in each City department within La Habra City Hall, as well as the La Habra Police Department, the La Habra Community Center, the Public Works Department Service Yard, the La Habra Children's Museum, and additional sites as agreed upon by City and CARE. Maintenance of the first aid kits by CARE will occur not less than twice per year.
- At no cost to the City, CARE will provide cardiopulmonary resuscitation (CPR), basic first aid, and AED training for City staff and other emergency response personnel as designated by the City.
- The City reserves the right to resolve or adjudicate billing disputes on behalf of patients. CARE agrees to work with the City to ensure disputed amounts are resolved in a timely, equitable, and fair manner.
- CARE will ensure an authorized field supervisor is available to both City and LACFD personnel 24 hours a day, 7 days a week.

**FISCAL IMPACT/SOURCE OF FUNDING:**

The annual cost of the proposed agreement over the initial four-year term of the proposed agreement is as follows:

	Year 1	Year 2	Year 3	Year 4
Annual Cost	\$1,233,408	\$1,270,410	\$1,308,522	\$1,347,778
Monthly Cost	\$102,784	\$105,868	\$109,044	\$112,315

In addition to this cost, CARE will provide ambulance patient billing and collection service on behalf of the City and will assess a fee of 6.5 percent of the total amount of ambulance transport fees they collect each month and then shall remit the balance to the City CARE. During Fiscal Year 2019-2020 CARE collected approximately \$1,619,000 on behalf of the City for patient transportation services. After deducting their 6.5 percent fee for billing and collection services (approximately \$105,000), the City received a net revenue of

approximately \$1,514,000. If this amount of annual net revenue stays consistent over the initial term of this agreement, the fees collected for ambulance transportation services will offset the cost of the service and the net remaining revenues will be used to help fund associated LACFD paramedic costs.

In an effort to control costs, and as part of the contract negotiation process, staff was successful in negotiating a reduction in both the initial annual cost and the annual cost adjustments initially proposed by CARE. This has reduced the initial annual contract cost by three percent and reduced the annual inflationary adjustments for the contract from approximately 4.5 percent to 3 percent.

There are adequate funds budgeted in the Fiscal Year 2020-2021 budget to fund the cost of this agreement. If this agreement is approved by Council, staff will include budget allocation requests for future years as part of the normal budget preparation process, and present contract extensions for City Council consideration as described above.

**GENERAL PLAN RELEVANCE:**

ED 9.1

FS 1.1

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**Attachments**

CARE Ambulance Contract  
Exhibit A to Attachment 1

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