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Supervisors Award ConFire County Ambulance Contract

By Nick Marnell

The Board of Supervisors July 21 authorized the county Health Services Director to execute a 5-year contract with the Contra Costa County Fire Protection District to provide emergency ambulance transport service in most of Contra Costa County starting in January. ConFire, with its subcontracting partner American Medical Response, the current county ambulance transport contractor, will provide ambulance service to the portions of the county not served by the Moraga-Orinda Fire District and the San Ramon Valley Fire Protection District, which provide their own ambulance transport service.

The private-public arrangement, named the Alliance, is the first of its kind in California, and brings with it not only a chance for the fire district to recognize additional, non-traditional revenue but also to better control the deployment of its resources. "Many times I'm asked, why do you send a fire engine and an ambulance to a call," said ConFire chief Jeff Carman. "The answer is, that I don't." No longer will the district be in the dark about ambulance deployment. With dispatch now consolidated for both ambulances and engines, ConFire will have the ability to control the deployment of each more efficiently.

The deal comes with its risks, as pointed out by Stewart Gary of public safety consultant Citygate Associates, LLC. Ambulance revenues have fallen nationally from an average of 66 percent of the amounts billed to 26.5 percent recently. The Alliance projects revenue collection rates of 24.5 percent, largely due to the uncertainties of government reimbursements and the Affordable Care Act. "And your revenue rates may not be at rock bottom," said Gary. "It may be several years before they are."

Since the Alliance did not figure any supplemental governmental revenue into its financial assumptions, the net gain to ConFire after year one was projected at \$1.9 million on revenue of \$39 million; but \$9 million of ConFire's cash reserves will be needed to cover the early cash flow losses. Also under this groundbreaking paradigm, the economic responsibility of the ambulance transport plan shifts from the private contractor, AMR, to the taxpayers of the fire district.

Nevertheless, Gary attempted to impress upon the supervisors that they are looking at a long-term positive business model.

"You have before you a restructured bid that requires no subsidy and is revenue positive without any supplemental revenue," he said. "You have a framework for ConFire to apply for and get those supplemental revenues, which will be in flux for a while."

"This may not work out in the end," said Supervisor Mary Piepho. "But this is what the public wants us to test and what the public wants us to think through."

The supervisors unanimously awarded the contract to ConFire, though they had no other option than temporarily extending the current contract with AMR, as no other entity bid. The final contract is expected to be presented to the board for approval in September.

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