



October 6, 2020

Birgitta L. Corsello
Chair, Solano EMS Cooperative
275 Beck Ave MS 5-240
Fairfield CA 94533

RE: Ambulance Transport Rate Increase

Dear Ms. Corsello,

For NorthBay Healthcare, a 42 percent increase in the current ambulance transport rate, and a 20 percent increase in the per-mile charge, would be a staggering financial blow, adding to the fiscal ravage of the coronavirus pandemic. It is a cost increase NorthBay Healthcare cannot absorb.

We acknowledge that the fee structure has long been in need of modernization. We wholly support our fire agencies and the county's exclusive ambulance operator in seeking an increase in pre-hospital fees to offset not only the rising cost of doing business, but also the drop in the number of calls for service and shrinking government reimbursement for Medi-Cal and Medicare members.

The proposal before the SEMSC Board, however, lumps together pre-hospital emergency transports and non-emergency intra-facility transports between medical centers. It is important to know that reimbursement is available for 9-1-1 transports, but not for intra-facility transports between hospitals.

The plan was put together by those who were either unaware of, or indifferent to, the impact the fee hike would have on our non-profit community health system. We were not invited to the table when the fee hike was crafted. Neither was the Physicians' Forum. Had we been, the deleterious downstream impact would have been exposed.

In effect, fire agencies and the ambulance company negotiated a planned 42 percent fee hike – a new tax on hospitals – without the Solano EMS Agency, hospitals or physicians having a voice.

The process was flawed, lacking transparency, collaboration and a reasonable comment and review period. (We learned of this five working days prior to the board meeting.)

Hospital systems like ours are experiencing the same financial complications as the ambulance operator and fire agencies. We continue to face lower patient volumes, fewer visits to our emergency departments and specialty practices, higher costs for PPE and new virus-prevention measures. While in the last two months conditions are improving, it will take another year – or longer – before our financial health returns.

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Therefore, to unilaterally thrust a rate increase of this magnitude onto our health system is unreasonable and excessive. To offset a half million dollars, or more, in new transport costs would require us to trim health services and probably jobs.

The Exclusive Operating Agreement requires us to pay Medic Ambulance for ALS transports between facilities. While it is a free-market for BLS, CCT and gurney van transports, ALS is essentially a monopoly.

If you raise the book rate, you raise our rates. And we simply cannot afford it.

Given our county's low transport rates compared to comparable counties, we are more than willing to negotiate reasonable increases. We are willing to be part of negotiating those higher and reasonable rates.

Therefore, NorthBay Healthcare respectfully asks the board to reject the current proposal and instead choose one of three alternative paths forward:

1. Whether by amendment to the Public Private Partnership or to the Master Services Agreement – or both – decouple the intra-facility transport rates, leaving those contracts and agreements for the free market through RFPs; or
2. Amend both and retain Medic Ambulance as the exclusive operator for ALS transports, but leave rate setting to negotiation between hospitals and the ambulance operator; or
3. Temporarily freeze the rate for intra-facility transports to allow EMS, hospitals and Medic Ambulance to devise and propose reasonable rate increases, independent of the pre-hospital 9-1-1 transports.

Finally, the EMS administration's report contends the new fee structure will result in "improvements to patient care and treatment for the residents of Solano County." We are puzzled how that conclusion was reached without any input from the Physicians' Forum and the other health care professionals who provide patient care and treatment for our residents.

We appreciate careful consideration of the objections we raise: the magnitude of the rate increase, the flawed process in reaching the recommendations, and the detrimental impact that will be inflicted on hospitals in Solano County.

Respectfully,

A handwritten signature in black ink, appearing to read 'B. Konard Jones', with a long horizontal flourish extending to the right.

B. Konard Jones