



# San Diego County Fire Protection District

## GOVERNING BODY

NORA VARGAS  
First District

JOEL ANDERSON  
Second District

TERRA LAWSON-REMER  
Third District

MONICA MONTGOMERY STEPPE  
Fourth District

JIM DESMOND  
Fifth District

## AGENDA ITEM

**DATE:** April 9, 2024

**FP01**

**TO:** Board of Directors, San Diego County Fire Protection District

### SUBJECT

**ESTABLISHING REVENUE AGREEMENT FOR SERVICES WITHIN THE SAN DIEGO COUNTY FIRE PROTECTION DISTRICT GROUND AMBULANCE SERVICE AREA (DISTRICTS: ALL)**

### OVERVIEW

On May 23, 2023 (FP 01), the Board of Directors authorized the San Diego County Fire Protection District's (SDCFPD) Executive Director, or designee, to enter into an agreement with the County of San Diego to exclusively provide and/or manage emergency ambulance transportation services in the areas where the County has, or will have, the responsibility for ambulance transportation services. On September 30, 2023, the SDCFPD Ground Ambulance Service Area (ASA) became operational through a public-private partnership with CAL FIRE and American Medical Response (AMR). The SDCFPD became responsible for billing for ambulance transports and minimizing the financial impact to the County of San Diego.

Within the ASA exists large congregate care facilities with volumes of patients needing emergency and non-emergency ambulance transportation to local hospitals. One of the largest prisons is the California Department of Correction's (CDCR) R.J. Donovan facility in East Otay Mesa. In the first six months the ASA has been operational, there have been an average of 157 monthly ambulance transports from the facility. Penal Code Section 5023.5 provides statutory limits on reimbursements for ambulance transports, which is capped at 120% of the Medicare rate. Without a contract for services, a provider may only be reimbursed for 100% of Medicare. There is currently no such contract in place with the SDCFPD.

Today's request is for the Board of Directors to approve a revenue agreement of up to \$3.0 million annually between SDCFPD and Network Providers LLC, an affiliate of Health Net Federal Services, a CDCR-contracted healthcare provider, for ambulance transportation reimbursement. It also includes a request to waive Board Policy B-29 Fees, Grants, Revenue Contracts—Department Responsibility for Cost Recovery, which requires prior approval and full cost recovery for revenue agreements.

**SUBJECT:** ESTABLISHING REVENUE AGREEMENT FOR SERVICES WITHIN  
THE SAN DIEGO COUNTY FIRE PROTECTION DISTRICT GROUND  
AMBULANCE SERVICE AREA (DISTRICTS: ALL)

**RECOMMENDATION(S)**  
**EXECUTIVE DIRECTOR**

1. Authorize the Clerk of the Board of Supervisors, on behalf of the San Diego County Fire Protection District, to execute a revenue agreement, upon receipt, with Network Providers, LLC, an affiliate of Health Net Federal Services, a California Department of Corrections and Rehabilitation contracted healthcare provider, in an amount up to \$3.0 million annually, for ambulance transportation services to ensure the San Diego County Fire Protection District collects at least 120% of the Medicare reimbursement rate through December 31, 2033.
2. Authorize the Executive Director, or designee, of the San Diego County Fire Protection District to execute all required documents, including any extensions, amendments, or revisions thereto that do not materially impact either the program or funding level.
3. Waive Board Policy B-29 Fees, Grants, Revenue Contracts—Department Responsibility for Cost Recovery which requires prior approval and full cost recovery for revenue agreements.

**EQUITY IMPACT STATEMENT**

Advanced (paramedic) and Basic (Emergency Medical Technician) Life Support ambulances are critical components to an emergency medical services (EMS) system that seeks to reduce health disparities in our region. Maximizing revenue from health insurance companies and congregate care facilities ensures the San Diego County Fire Protection District Ground Ambulance Service Area has the financial resources to provide an equitable level of ambulance coverage in unincorporated communities.

**SUSTAINABILITY IMPACT STATEMENT**

Approving revenue agreements supports a San Diego County Fire Protection District Ground Ambulance Service Area that is fiscally sustainable and provides for just and equitable access to County resources.

**FISCAL IMPACT**

Funds for this request are partially included in the Fiscal Year 2023-24 Operational Plan for San Diego County Fire Protection District and are based on the current rate. Funds for Fiscal Year 2024-25, estimated at \$3,000,000, are included in the Fiscal Years 2024-26 CAO Recommended Operational Plan for the San Diego County Fire Protection District. Funds for subsequent years will be included in future Operational Plans for San Diego County Fire Protection District based on estimated costs and revenue for each year within the term of the agreement. There is no change in net General Fund cost and no additional staff years.

**BUSINESS IMPACT STATEMENT**

N/A

**SUBJECT:** ESTABLISHING REVENUE AGREEMENT FOR SERVICES WITHIN  
THE SAN DIEGO COUNTY FIRE PROTECTION DISTRICT GROUND  
AMBULANCE SERVICE AREA (DISTRICTS: ALL)

**ADVISORY BOARD STATEMENT**

N/A

**BACKGROUND**

On May 23, 2023 (FP 01), the Board of Directors authorized the San Diego County Fire Protection District's (SDCFPD) Executive Director, or designee, to enter into an agreement with the County of San Diego to exclusively provide and/or manage emergency ambulance transportation services in the areas where the County has, or will have, the responsibility for ambulance transportation services. On September 30, 2023, the area formerly known as the Unified Service Area transitioned to the SDCFPD Ground Ambulance Service Area (ASA). Services are now being provided through a public-private partnership between SDCFPD/CAL FIRE and AMR as system enhancement and coverage continue to be operationalized.

The new ASA includes strategic challenges with a large, geographic service area and small population. The East Otay Mesa area of the ASA includes several prisons operated at the federal, State, and local level that need emergency and non-emergency ambulance transportation services. The largest user of this system is the California Department of Corrections (CDCR) R.J. Donovan Correctional Facility. In the first six months the ASA has been operational, SDCFPD has averaged 157 transports a month.

Due to a large volume of calls in East Otay Mesa, SDCFPD entered into discussions with CDCR to mitigate impacts from insufficient revenue since Penal Code Section 5023.5 statutorily limits the ambulance transportation reimbursement. If an ambulance provider contracts with CDCR, they will be reimbursed at 120% of the Medicare rate, but without a contract, the reimbursement is limited to 100% of Medicare. Today's actions will narrow the gap between the actual costs of providing ambulances to CDCR and the revenue received for the services.

County Administrative Code Section 123 requires the Board of Directors to approve any revenue contract that exceeds \$250,000 annually. Therefore, today's request is for the Board of Directors to approve a revenue agreement of up to \$3.0 million annually between SDCFPD and Network Providers LLC, an affiliate of Health Net Federal Services, a CDCR-contracted healthcare provider, for ambulance transportation reimbursement.

Due to California Penal Code Section 5023.5 statutorily limiting the reimbursement for ambulance transportation services that is less than the actual costs, the revenue anticipated to be collected from CDCR is less than full cost recovery. A waiver of Board of Supervisors Policy B-29: Fees, Grants, Revenue Contracts – Department Responsibility for Cost Recovery (Board Policy B-29) is requested if the Board of Directors approves this revenue agreement.

**ENVIRONMENTAL STATEMENT**

N/A

**LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN**

**SUBJECT:** ESTABLISHING REVENUE AGREEMENT FOR SERVICES WITHIN  
THE SAN DIEGO COUNTY FIRE PROTECTION DISTRICT GROUND  
AMBULANCE SERVICE AREA (DISTRICTS: ALL)

Today's proposed actions support the Sustainability Initiative of the County of San Diego's 2024-2029 Strategic Plan. The approval to sign the revenue agreement will help align the San Diego County Fire Protection District's available resources with services to promote fiscal stability in the Ambulance Service Area.

Respectfully submitted,



SARAH E. AGHASSI  
Interim Chief Administrative Officer

**ATTACHMENT(S)**

N/A