



Washington County, Oregon EMS System Review

Report of Stakeholder Interviews

June 7, 2005

The Polaris Group

Executive Summary

The Washington County EMS system relies on Fire Departments to provide First Response services and a private contractor to provide performance-based ambulance services. The ambulance contract, which was developed in 1997 with Metrowest Ambulance and the current Ambulance Service Area Plan, enacted by the County Board of Commissioners contemplate a Request For Proposals (RFP) to select an ambulance contractor for a new contract term beginning in September of 2006. The County engaged The Polaris Group to review the EMS system design and make recommendations for system design improvements for the next contract cycle and to provide assistance in developing a process to establish a new contract.

The Polaris Group studied the EMS system documentation including State regulations, County ordinances, the Ambulance Service Area Plan, local policies and procedures and County processes and records used to regulate the performance of the contractor. EMS system stakeholders were interviewed including: the system Medical Director, County staff, representatives of all hospitals serving the County, the Fire Department responders, Metrowest and the principal competitor in the region.

While a number of opportunities for improvement were noted and are contained in this report, none of the recommended changes warrants a significant change in the EMS system design or the incumbent providers. A detailed analysis of the performance of the contractor over a period of 86 months reveals steady and consistent improvements in service with increasing reliability of performance. Analysis of the prices charged by Metrowest, in comparison to regional rates and those of similar systems in the western United States, demonstrates that Washington County is receiving an excellent value through its current relationship with Metrowest.

Interviews of stakeholder satisfaction demonstrated a very high opinion of the Metrowest staff, its responsiveness to the needs of the community and the company's performance as your ambulance provider. The level of customer satisfaction, evidenced by the input of the healthcare and Fire stakeholders interviewed is the highest that our firm has encountered in similar EMS system reviews across the country.

Competitive processes are indicated in EMS when they are either legally required, or when the community stands to gain improvement in terms of increased performance or lower price. Oregon Statutes give Washington County broad authority and antitrust protection whether or not the County uses a competitive process. It is the opinion of The Polaris Group that it is unlikely that the County can achieve significant improvements in service or cost at this time by issuing an RFP for an ambulance provider. In fact, we believe that the cost, controversy, uncertainty and distraction that an RFP would create, would place the current service levels and low cost at risk.

The Polaris Group recommends that Washington County revise its EMS system plan and Ambulance Service Area plan to permit Staff to incorporate and implement numerous incremental improvements to the system design and to negotiate a new performance-

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based contract with Metrowest. The contract should be for an initial term of 5 years and contain provisions that allow the contractor to earn renewals for superior performance. The contract negotiations should begin as soon as possible so that in the unlikely event that the County and Metrowest cannot reach agreement on the terms, the County will still have sufficient time to conduct an RFP.

Additional recommendations contained in the report include measures to:

- Provide incentives for Fire agencies to voluntarily accept County oversight and coordination of their EMS operations.
- Improve interagency cooperation through further integration of Fire Department first responders and the ambulance contractor's efforts.
- Improve the dispatch data interface between the County (WCCCA) and the contractor and improve coordination of the communications centers.
- Require periodic financial reporting from the ambulance contractor.
- Strengthen the role of the County Medical Supervisor and unify the medical command structure of the EMS system.
- Review and adjust, as needed, the medical protocols.
- Redesign the County EMS office to improve overall leadership of the system.

Washington County currently enjoys an excellent quality EMS system at a favorable price. An RFP process is unlikely to improve either quality or price and involves risks to the stability and efficiency of the system. Various incremental improvements should be implemented. These may be realized more quickly and at a lower cost by negotiating with the incumbent EMS system participants.

Purpose and Methodology

Washington County contracts with a Metro West Ambulance to provide exclusive emergency ambulance service. As the ambulance contract approaches the end of its current term, the County has engaged The Polaris Group to review and evaluate the current EMS system, recommend system design improvements for the next contract cycle and provide assistance in designing a process to establish a new contract.

Specific objectives of this portion of the study include:

- Review and recommend revisions to the County Ambulance Service Area (ASA) Plan.
- Review current contracts.
- Identify governance and regulatory issues.
- Review medical protocols.
- Review Quality Improvement Systems.
- Evaluate system performance.
- Determine and evaluate EMS system costs.
- Perform a Performance/Cost comparison to similar markets.
- Evaluate the roles of providers participating in the EMS system.
- Identify opportunities for improvement of the system as a whole.

Process

With the assistance and cooperation of the Washington County Department of Health and Human Services, The Polaris Group initially reviewed EMS system documentation including Section 8.32 of the County Code, the Ambulance Service Area Plan, EMS Administrative Rules, Ambulance Service Franchise Agreement and Treatment Protocols to establish baseline knowledge of the local EMS system. David Shrader, President of The Polaris Group interviewed key EMS system stakeholders and County staff during the course of an onsite visit. Additional performance and financial information was obtained from County and Contractor records and used in the analysis of EMS system operational and financial performance.

This report of findings will be circulated among the EMS system stakeholders for comments and suggestions that will be considered in the formulation of specific final recommendations regarding the EMS system design and method to establish a new exclusive ambulance franchise.

The information gathered during this process will be used in the development of EMS system design criteria and revision of the County Ambulance Service Area Plan. These documents will control the process for establishing a new emergency ambulance franchise contract.

Current System Design

The Washington County currently uses a number of organizations to provide different components of the overall EMS system. The Department of Health and Human Services provides system coordination and oversight through the administrative staff and a

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physician supervisor. Communications services, including primary 911, are provided by the Washington County Consolidated Communications Agency (WCCCA). First responder services are provided by local Fire Departments. Emergency Ambulance Service is provided under the terms of an exclusive franchise by Metro West Ambulance. On-line medical control is currently provided by the receiving hospitals. Interagency coordination is provided through the County EMS Office's Medical Advisory, Quality Improvement and Operations Committees whose membership is composed of representatives of the participating agencies.

EMS as a System

The National Association of EMS Physicians provides the following definition for an EMS system:

“The EMS system consists of those organizations, resources and individuals from whom some action is required to ensure a timely and medically appropriate response to medical emergencies.”

Within this definition, the County staff, fire responders, ambulance contractor, hospitals, WCCCA and committees each provide essential components of the EMS system. EMS system components function much like the links of a chain and the entire system is often only as effective as the weakest link or component. While the event that has prompted this system review is the maturation of the ambulance franchise agreement, this report will address other components of the EMS system to identify opportunities to improve the effectiveness of the system as a whole.

The Patient's Point of View

Each organization responsible for essential EMS system components will naturally view the entire system from a different perspective. Every agency will view system features and opportunities with a bias for solutions that will benefit its own organization. Successful EMS system designs rely on a structure that establishes a lead agency that is charged with viewing the entire EMS system and all of its components from the patient's point of view. In Washington County, this role of patient advocate appropriately belongs to the County as the regulator and provider of oversight for emergency ambulance services.

The Ambulance Component

Oregon law requires the County to establish a plan for the coordination and provision of ambulance services (ORS 682.205) and grants broad authority to the County in determining the method by which this responsibility may be fulfilled. Washington County arranges for the provision of Countywide ambulance services through an ambulance franchise agreement and a smaller inter-local agreement with the Newburg Fire Department.

The current ambulance contract is best described as a performance-based, emergency-only, exclusive failsafe franchise model. Multiple County-licensed providers, including the County's franchisee, engage in retail competition to provide non-emergency medical transportation. The emergency (911) portion of the business is regulated through detailed

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high performance provisions of the franchise agreement and strict contract compliance oversight provided by the County EMS Office and Physician Supervisor.

The current ambulance agreement originated in November 1997 as the result of a contentious RFP process conducted in 1996. The agreement has been extended twice, once in 2001 and again in 2003, by mutual agreement of the County and Metro West Ambulance and after extensive input by the County's fire providers. The terms of the agreement specifically provided for two earned two-year extensions. The second extension was granted by the Board of County Commissioners on August 5, 2003 and a termination date of September 2, 2006 was established. The agreement further provides that any decision to either further extend the agreement or conduct an RFP for ambulance service must be finalized prior to September 2, 2005.

The ambulance franchise agreement is a complex document that sets forth detailed specifications for the performance required of the contractor. In addition to standard public contracting provisions, areas addressed in the agreement include:

- General Responsibilities
- Incorporation of the County RFP and contractor's proposal
- A definition of the service area and market rights established by the agreement
- Performance requirements including response times
- Staffing requirements
- Deployment and System Status Management Plan
- Working conditions
- Control Center operations
- Vehicle requirements
- Disaster responses
- Communications equipment requirements
- Data collection and performance reporting
- Personnel requirements
- Coordination with the Fire service
- Medical control
- Stand-by and special event coverage
- Use and interface with helicopter air ambulances
- System interaction
- Subscription Membership Program
- User fees, rate adjustments and collections
- Financial information and reporting
- Penalties and liquidated damages
- Annual franchise fees
- Safety net provisions
- Indemnification, insurance and other administrative provisions.

Oversight and management of this complex contract is accomplished by the Senior EMS Coordinator within the EMS Office of the Department of Health and Human Services. Daily, weekly, monthly, annual, random and ad hoc reporting processes are combined with direct observation to monitor the contractor's performance. With the exception the

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single month of September 1999, Metro West has met the contractual response time requirements.

The First Response Component

First response services¹ are provided primarily by local Fire Departments. Some of these agencies provide Advanced Life Support (Paramedic) level care while others provide Limited Advanced Life Support or Basic Life Support levels of response within their corresponding cities or districts. All public safety agencies are dispatched by WCCCA.

The Fire agencies contend that Oregon law does not afford the County the same levels of control and oversight over Fire department EMS response activities as it does over ambulance operations.² Fire departments may, however, voluntarily submit to County oversight if they are provided attractive incentives to do so.

First responders serve a valuable function in every EMS system. By providing geographic coverage and short response times, they often initiate lifesaving intervention in emergency situations. The American Heart Association has identified goals for EMS intervention in the case of sudden cardiac arrest that recommend Basic Life Support within 4 minutes, defibrillation within 6 minutes and Advanced Life Support within 8 minutes. These standards have been subsequently been adopted by various organizations worldwide including the National Fire Protection Association (NFPA). Without an integrated system of Fire department first response, it is unlikely that many communities could meet these goals.

Medical Direction Component

The delivery of EMS clinical care is in fact the delegated practice of medicine. Effective medical direction of EMS systems involves two different tiers of medical supervision. The first and most fundamental is Off-line Medical Control. The second type, which provides detailed advice and direction for individual patient cases is referred to as On-line Medical Control.

Off line medical control generally establishes system standards for clinical care. In addition to Field EMS clinical protocols, the Off-line medical director usually participates in setting standards for response time reliability, emergency medical dispatch protocols, patient care documentation, hospital destination policies and the clinical credentials required of system participants.

On-line medical control provides a point of contact for paramedics in need of clinical consultation regarding a specific case. In the Metro Portland area, this type of medical control is provided in two distinctly different ways. Multnomah and Clackamas Counties specify that all on-line medical direction be provided by Medical Resource Hospital

¹ In EMS systems the term “First Responder” is used to identify an individual or agency that provides non-transport EMS response. It does not imply that first responders are always on scene first.

² This position, although differing from that of the State EMS Chief in 1996, is endorsed by Washington County’s County Counsel.

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(MRH). MRH is a centralized operation, staffed 24 hours per day and 7 days each week at the Oregon Health Sciences University (OHSU). MRH also provides centralized access to hospital diversion information for Multnomah and Clackamas Counties. Hospital diversion coordination for Washington County is controlled through the Metro West dispatch center.

Washington County uses a different, but nationally common, system of on-line medical control. EMTs and Paramedics requiring physician consultation for patients whose hospital destination is within Washington County, including those transported to Meridian Park Hospital, are required to contact the receiving hospitals for assistance. On-duty physician staff at the receiving hospital then provides the consultation and orders.

Both systems have relative advantages and disadvantages. Generally, the total cost of a centralized on-line medical control facility is less and the consistency of clinical advice is better. However, since MRH charges for its services and the receiving hospitals do not, the existing system, while probably more expensive generates few costs for the County and none for its EMS providers.

Several agencies, including Tualatin Valley Fire and Rescue (TVF&R) provide EMS services in Multnomah and Clackamas as well Washington County. Because of differences in the manner that on-line medical direction is provided, these agencies must adhere to conflicting policies from one call to the next, depending on the jurisdiction of each call.

All three metro Portland Counties use similar clinical protocols referred to as the “Tri-County Protocols.” Clackamas and Washington County, under the direction of each County’s Medical Supervisor, use protocols that, although based on the Tri-County Protocols, contain minor differences. Agencies serving multiple Counties report that the differences in protocols are a nuisance that should be eliminated by resolution of these differences.

Off-line medical direction by the County’s Medical Supervisor includes establishment of the Countywide protocols. The County’s Medical Supervisor serves as the direct clinical supervisor of Metro West under the terms of the franchise agreement. He also serves as the physician supervisor for the Forest Grove and Banks fire departments, the Tualatin Police Department and the Sheriff’s Department Search and Rescue Team under separate agreements with the County.

TVF&R, Hillboro, Fire District #2, Gaston and Cornelius fire departments contract separately with two other physicians for medical supervision. Communication and cooperation among the three physicians serving in this role has, so far, largely avoided conflicts in interagency protocols and interactions. However, the potential exists for problems to arise in the future due to this fragmented system of medical control.

Independent Medical Control is recognized by most EMS regulators as an important public safeguard. Since TVF&R, Hillboro, Fire District #2, Gaston and Cornelius fire

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departments are directly contracting for medical control services, there is some risk that the independent nature of this function could be compromised at some future date.

Communications Component

Emergency (911) communications services are provided primarily by the Washington County Consolidated Communications Agency (WCCCA). The center serves as the primary Public Safety Answering Point (PSAP) for the majority of emergency calls received throughout the County. WCCCA dispatches all public safety agencies within the County including Law Enforcement and Fire. The County EMS office noted that WCCCA does not consider Metro West Ambulance to be part of the County public safety system. The County pays fees to WCCCA for radio system access at the same rate as parks, sewer and other non-public safety providers. WCCCA did not allocate or grant Metro West access to the system through mobile data terminals even though past public safety levies have said they would.

Metro West directly dispatches its own ambulance and medical transportation units from a separate communications center located within its headquarters in Hillboro. On the surface, it may seem inefficient to allow the contractor to maintain a duplicate dispatch center. However, because of the performance nature of the ambulance franchise agreement, and the amount of control exercised over the contractor's resource utilization by the dispatch center, it is necessary to give the contractor control over its dispatch function. In essence, whichever agency controls the deployment and assignment of ambulance resources, controls the performance of the ambulance system.

The current contract requires that an interface be provided by the contractor to connect the Computer Aided Dispatch (CAD) system at WCCCA with the CAD used by the contractor. Several stakeholders report that efforts to install this feature have been less than successful. It appears that a principle difficulty in this issue has been a failure to achieve a mutual understanding of the required functionality of the interface. Although the local experience in establishing a functional 2-way interface has been problematic, similar systems have been installed in many EMS systems throughout the country. With appropriate incentives and technical oversight, an advanced interface can be developed for Washington County.

An important part of any EMS communications system is the employment of an Emergency Medical Dispatch (EMD) system. EMD involves a set of call-taker protocols that govern the process of interviewing 911 callers to gain medically important and valid information. Based on the information gathered during this structured conversation, pre-arrival instructions, such as the provision of Cardio-Pulmonary Resuscitation (CPR) or childbirth assistance, are relayed to the caller. Information gathered through EMS may also be used to modify the resources sent in response to each individual call.

There are two major "brands" of EMD systems. WCCCA made a decision to change from a system offered by Medical Priority Dispatch Systems (MPDS) to that offered by the Association of Public Communications Officers (APCO) in the recent past. It is reported that the primary reason for the change was cost related. Because EMD makes determinations of EMS system response and provides clinical advice, it should be

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provided under the oversight and direction of a physician Medical Supervisor. County administrative rules give this responsibility to the County Medical Supervisor. The County should reinforce the requirement that specifications for the EMD system used in Washington County are under the direct oversight of the County Medical Supervisor.

Receiving Hospital Component

Because Washington County is located within the Portland metropolitan area, many hospitals serve as transport destinations for EMS patients, depending on patient preference and the severity of symptoms. The major receiving facilities within the County include Providence-St. Vincent Medical Center, Tuality Healthcare with 2 locations, one in Hillboro and another in Forest Grove. While it is technically within Clackamas County, Legacy Meridian Park is also treated as an in-County facility under an inter-governmental agreement between Washington and Clackamas Counties.

All of the hospitals provide on-line medical control for first response and ambulance paramedics in need of consultation. Despite competitive pressures among the facilities, they have all cooperated in the development and operation of an ambulance diversion system.

Public Information, Education and Relations (PIER) Component

Metro West has been very active in the area of public information and education under its own brand name. Other providers have provided various programs and classes to the public to raise awareness of the 911 system and healthcare issues. An opportunity exists for the County to take a leadership role in the development of PIER activities. A targeted and coordinated effort will provide useful information to the public and raise the public perception of all participants in the system.

Other communities with high performance EMS systems have demonstrated the effectiveness of coordinated PIER programs. Pinellas County Florida, for example, determined that the leading cause of unexpected death among the County's children was accidental drowning. The County led an effort of virtually all of its public safety and healthcare providers to reduce this risk. By training paramedics as public health investigators, establishing a database of factors contributing to each drowning experienced by the system and legislating interventions, Pinellas County was able to eliminate accidental drowning from the "Top Ten" causes of pediatric death in a single year.

Similar opportunities probably exist in Washington County. Coordination and cooperation in PIER activities will increase the level of public awareness and the raise the image of all participating agencies.

Competition in EMS

The event that has triggered this study is the maturation of the current ambulance franchise agreement. The approved County Ambulance Service Area Plan (Sections 8.0, 8.1 & 8.2), County Code (Section 8.32.410) the EMS system Administrative Rules

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(Section 554-200-140) all anticipate that a competitive process will be conducted to select an ambulance provider to takeover services at the end of the current contract term.

When the existing contract was awarded, the ambulance industry was in a very competitive period. Several large, international and national companies were in the process of consolidating the industry. The Fire service was engaged in a national effort to compete with private services. In those heady days, companies and agencies employed a great many innovative techniques and accepted substantial risks to increase market share.

The Bad News

Since that time, largest and second largest (MedTrans & AMR) ambulance providers have merged with their parent corporation (Laidlaw) passing through a period of bankruptcy, the third largest (Rural/Metro) has flirted with financial disaster having been listed and de-listed from the NASDAQ several times. The Fire service has seen both successes and failures in ambulance operations with many departments regretting the rush to compete for performance contracts. Several other organizations have ceased operations because of regulatory enforcement or financial difficulties. The impact of the Medicare Fee Schedule has been enormous in the Pacific Northwest with reimbursement falling precipitously for a large percentage of patients.

The Good News

The largest national ambulance provider (AMR) has emerged as a “spin-off” from its parent corporation and the now-second largest provider seems to have found a new source of private funding. Several regional providers have emerged in Texas, California, Nevada, Arizona, Florida and Colorado and show some promise of contributing to industry competitiveness. Due to industry pressure, a temporary increase in Medicare funding was enacted last year. Both of the National ambulance companies (AMR & Rural/Metro) are currently engaged in competitive processes related to their incumbent operations. While both have been ruthlessly attentive to retaining existing markets, it remains to be seen if they will return to innovative competitive practices to expand into new markets.

The Role of Competition in EMS

Competitive processes are used in the selection of ambulance providers for several reasons. The most common is to meet legal requirements. Another is to determine if ambulance services can be improved in terms of quality. Finally, competitive processes are frequently used to determine the most reasonable cost for ambulance services.

While competitive processes are useful tools in the assignment of market rights, they are not without risk. Bids and RFP’s are expensive. The Polaris Group estimates that the full cost to the County of conducting an RFP for an ambulance provider within Washington County would likely reach \$150,000 to \$200,000. Additionally, since incumbents usually spend more to defend territory, we estimate that Metro West would likely spend another \$100,000 in such a process. Each additional proposer would likely spend an additional \$75,000 to \$100,000 in the effort.

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Competitive processes have another cost. They are disruptive to system performance. As the incumbent formulates a strategy to unveil in its proposal, it will frequently reserve performance improvements in order to not tip off competitors to its bid strategy. A provider that has made substantial progress in system efficiencies and service may decide to defer further improvements and capital expenditures as a way of reserving competitive advantages.

Additional risks associated with competitive procurements include the politicizing of EMS. Posturing, lobbying and public relations efforts often overshadow the mission of providing service to the public. Even a well-designed competitive process can produce unexpected results such as compromised quality or substantial cost increases.

Competitive processes are one legitimate method of assuring that the public receives good service at a fair price. However, the choice to use a competitive process and selection of the exact method and bid variables is analogous to prescribing medication for a patient. Just like powerful drugs, competitive procurements involve expense and produce side effects. They should be used with caution when the potential benefit outweighs the risks of the process.

The Polaris Group recommends the use of competitive procurements for ambulance providers when competition is legally mandated and whenever it is likely that the community can obtain a substantially better value. Value is defined as higher quality for the same or lower cost. To determine if conditions exist in Washington County that would indicate that an RFP process would be advantageous, The Polaris Group performed due diligence procedures to attempt to identify any legal requirements or opportunities to significantly improve either quality or price.

Legal Issues

Federal and State antitrust legislation exists to prevent anti-competitive practices that act against the public interest. Conspiracies to create monopolies that divide markets and fix prices by eliminating competition are generally illegal. State, because they are sovereign, are not constrained by antitrust legislation. The doctrine of State Action Immunity (from antitrust claims) provides that limitations on competitive practices that are “reasonably foreseeable results of legislative action” are also immune from antitrust claims.

Oregon law specifically and affirmatively states:

“682.041 Legislative intent regarding regulation of ambulance services. The Legislative Assembly declares that the regulation of ambulance services and the establishment of ambulance service areas are important functions of counties, cities and rural fire protection districts in this state. It is the intent of the Legislative Assembly in ORS 478.260, 682.031, 682.041, 682.043, 682.062, 682.063 and 682.066 to affirm the authority of counties, cities and rural fire protection districts to regulate ambulance services and

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areas and to exempt such regulation from liability under federal antitrust laws. [Formerly 682.315] (Highlighted Added)

Oregon law does not specifically require that competitive processes be employed in the selection of ambulance providers. Therefore, there is no legal requirement, not directly under the control of the Board of County Commissioners, to use a competitive process such as a bid or RFP to establish the next contract cycle for ambulance services in Washington County.

If no compelling legal requirement for a competitive process exists, the use of an RFP or bid would most likely be indicated in a situation in which the County could reasonably hope to improve either the quality or cost of services provided. To further investigate the probability of improving either of these parameters, The Polaris Group conducted focused interviews of EMS stakeholders within the County and analyzed the cost of ambulance and EMS services within Washington County.

Quality Issues

To determine if the County can reasonably expect to improve EMS system quality through a competitive process to select the provider of the ambulance component of the EMS system, The Polaris Group investigated two significant indicators of ambulance quality, User Satisfaction and contract compliance.

User Satisfaction

The most frequent critics of ambulance services are generally the hospitals, fire departments and other agencies that are direct users of the system. Each of these stakeholders has an advanced understanding of industry standards and performance as well as much greater exposure to the services provided by the ambulance contractor. To determine the level of user satisfaction, stakeholders identified by the consultant and County staff were interviewed.

Stakeholders interviewed included:

- Providence Health System/St. Vincent's Medical Center
- Tuality Healthcare
- Legacy Health System/ Meridian Park Hospital
- Tualatin Valley Fire & Rescue
- City of Hillsboro Fire Department
- Banks Fire Department
- Forest Grove Fire Department

Other agencies were invited to participate in the onsite interviews and to contact the consultant directly. The agencies represented are all of those that chose to participate. In addition to these agencies, the Health and human Services staff, County Senior EMS Coordinator, County EMS Medical Director and Director of WCCCA were consulted. Metro West Ambulance and American Medical Response were also consulted to assess any major issues identified by probable competitors for the County franchise agreement.

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Hospitals and Healthcare Organizations

Representatives of each hospital expressed high levels of satisfaction with the services provided by Metro West and with the EMS system as a whole. Comments included the following:

- “The crews are nice, great in fact, and easy to work with.”- Legacy
- “Very positive and professional”- Legacy
- “Happy with staff rapport and respect”- Providence/St. Vincent
- “Supervisors always available from Metro West, this isn’t so with other providers”- Providence/St. Vincent.
- “When patient backlogs occur, the Metro West Supervisor responds directly to the hospital to help, while not required and informal, it is effective”- Providence/St. Vincent
- “It would be too bad if Metro West lost an RFP. We would be very disappointed”- Providence/St. Vincent
- “Metro West is accountable, personal and fosters a positive relationship with our facility”- Providence/St. Vincent
- “Metro West is extremely responsive. We are completely satisfied with them”- Tuality.
- “Metro West is very helpful and great with patients. They attend our quarterly meetings and take feedback well. It’s a good relationship”- Tuality
- “Metro west is a big community supporter. They don’t flinch, they do”- Tuality
- “We would be very concerned if something caused this relationship to change”- Tuality

While each hospital identified certain areas for incremental improvement of the EMS system, they were unanimous in their praise for Metro West as the provider of ambulance services. Each of the hospitals mentioned the responsiveness of a local management team. In over 30 years in the EMS industry, this consultant has never encountered a 911 ambulance provider that is as well respected and liked among the healthcare institutions within its service area.

Fire Departments

Tualatin Valley Fire & Rescue (TVF&R) serves a large portion of eastern Washington County as well as a significant portion of Clackamas County with ALS First Response and rescue services. During the 1996 RFP process, Washington County witnessed extremely contentious behavior between TVF&R and Metro West Ambulance as the two leading proposers. These unfortunate events created bitterness and distrust between these two agencies. Since that time, both agencies have worked together to improve the EMS system. Both have described a growing respect and climate of cooperation that has culminated in a bilateral proposal to collaborate beyond the current contractual requirements in the improvement of the EMS system.

TVF&R now describes an era of “new trust and ideas,” between themselves and Metro West. They voiced concern that any potential change of providers would risk setting the County back many years as they struggle to build a similar relationship with another provider. TVF&R has openly questioned whether or not an RFP process would be in the interest of the County.

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TVF&R did suggest that the County has focused largely on managing the ambulance contract component of the system and should take a greater leadership role in developing the overall system.

The City of Hillsboro Fire Department (HFD) provides reliable ALS First response and rescue services within the City. HFD related that it has encountered “very few problems” with Metro West and is pretty happy with the services that the company provides. HFD specifically mentioned that they felt that they received an adequate ambulance response at a very good cost.

HFD did raise several issues related to the ambulance contract. These include a concern that without a functioning CAD to CAD interface, delays may occur in the dispatch process and the integrity of the response data may be compromised. HFD raised other EMS system issues related to County oversight and a desire to see better integration of all providers as a single EMS system.

Banks Fire District # 3 (BFD) serves a largely rural, 136 square mile, area in the northwest portion of the County with Advanced Life Support and Intermediate Life Support First Response and Rescue services through the use of volunteer firefighters. BFD expressed that the department, because of its more remote location has at times felt like the “forgotten child” of the EMS system. BFD related that changes made in rural response zones approximately 2 years ago have improved responses within their area, although they would like to see further improvements. They suggest that contractual adjustments that would encourage the ambulance provider to post more resources in their general area would provide a needed service to the public.

BFD raised several issues related to equipment and supply practices of the ambulance provider. Under the current contract, Metro West is required to resupply First responding Fire departments with certain disposable supplies and pharmaceuticals. Metro West is allowed (arguably required) to charge for certain of these supplies. This provision is likely a contract requirement issue rather than a reflection of the contractor’s general performance. BFD also expressed a desire to see an improved method of returning firefighters, who accompany ambulances to the hospital, to their stations.

BFD also made a number of observations regarding the role of the County and the overall integration of First responders into the EMS system as a whole. They expressed that they would welcome additional leadership from the EMS agency including integrated medical direction and quality improvement systems that treat all responders equally.

Forest Grove Fire Department (FGFD) serves a combination urban and rural area of 85 square miles with all ALS First response and rescue services. FGFD reported that it maintains a good relationship with Metro West. They expressed concern with the lack of a functional CAD to CAD interface and a perception that WCCCA and Metro West are at odds about how to accomplish the interface. FGFD also reports that response times have improved during the past 3 years and credits that improvement to the implementation of equity zones for calculation of response time compliance.

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FGFD mentioned the arrangement between Metro West and Cornelius Fire that permits the contractor to post ambulances at Fire department facilities and expressed a desire to pursue a similar arrangement. Forest Grove observed that area Fire Departments are concerned about Metro West's record in the retention of experienced paramedics and that employee turnover rates at the ambulance provider should be a priority for improvement.

They also expressed a concern that the return of firefighters to the district should be improved. Regarding the resupply of First responders, FGFD observed that the effectiveness of the program has "ebbed and waned" over the years. They cited specific examples related to the addition of a cardiac drug, rotation of expiring medications and the discontinuation of certain items still used by the Fire department. These issues notwithstanding, when asked to grade the performance of Metro West, FGFD ranked the company as an "A-minus" overall.

FGFD echoed the comments of the other Fire departments related to centralized medical direction and improvements in County leadership of all components of the EMS system into a single integrated system.

Summary of User Satisfaction

The stakeholders interviewed provided an overwhelmingly positive review of the current contractor's performance. While minor adjustments may be indicated in contractual terms and requirements. It is not apparent that significant changes are needed that would require an RFP process.

History of Contract Compliance

As a further test to determine if a competitive process is warranted, The Polaris Group reviewed contract compliance data and procedures for the entire life of the current agreement. There are many contractual requirements and measures of contract compliance. The most publicly visible and most difficult to achieve is adherence to the response time reliability requirements.

Metro West is required to achieve response time reliability that is measured in terms of fractile compliance. The County is divided into response zones with response time standards of 8, 11 and 30 minutes depending on population density. For instance for "code 3" emergencies in urban areas, the company must achieve a minimum of 90% of all calls answered in 8 minutes or less. Additionally, Metro West must also achieve a minimum of 88% compliance within each of several smaller "equity zones" contained within the services area to assure equality of service throughout the County.

The procedure used for reporting contract compliance requires the ambulance contractor to report its operational performance, including numbers and types of calls, numbers of transports and numbers and locations of calls not meeting the response time standards. The County Senior EMS Coordinator performs a detailed 7-step process each month to determine compliance with the contractual requirements. In addition to this, he frequently directly monitors ambulance operations and radio traffic to assure regular compliance and the integrity of the reported data.

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The Polaris Group reviewed the monthly contract compliance reports for every month of the original contract and both contract extensions. With the single exception of September 1999, Metro West has met and exceeded the response time requirements of the contract.

The following chart illustrates Metro West's overall response time performance in Washington County for a period of 86 months (November 1997 to January 2005). Fractile response time compliance is plotted as a blue line over time from left to right. The contractual standard of 90% is represented by the red line. The yellow line represents the mean response time performance over the entire period. The green and blue lines represent upper and lower control limits for one and two standard deviations, respectively, centered on the mean.

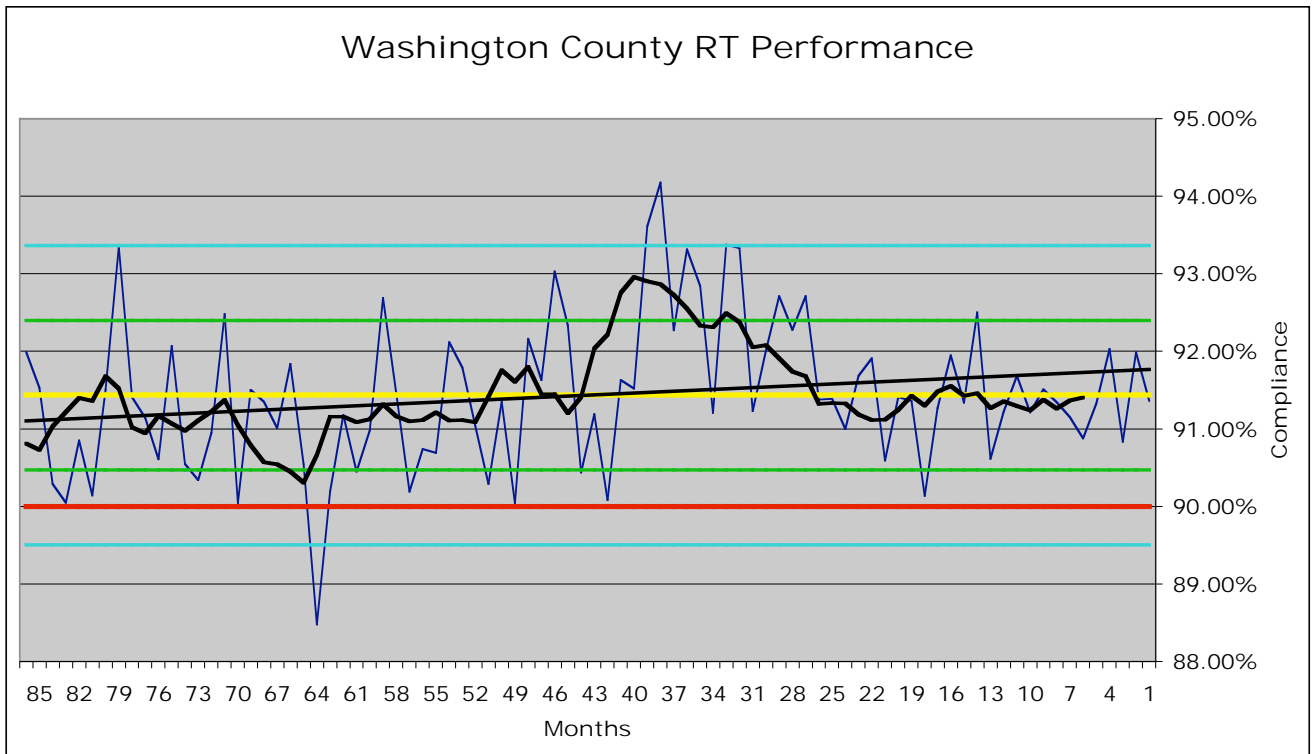


Chart Interpretation

Two statistically derived trend lines have been added to the chart. The first and more highly variable trend line is a simple 3-month moving average of performance. The second represents a regression analysis of system performance for the entire period.

The data show that response time performance was more highly variable in the early months and years of the contract. Beginning with the 2001 contract renewal Metro West produced a spike in response time reliability. Since that time, the company has steadily reduced the fluctuations in response time compliance. From a statistical process control point of view, this chart demonstrates a system that has progressed from less to more

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control of performance. Variation in performance has decreased while the overall compliance, as indicated by the regression analysis trend line.

The response time reliability performance produced by Metro West is indicative of a mature, refined and continually improving production system. Any significant change within the system, including changes in the scope of work, dramatic increases in expenses or a competitive process is likely to upset the balance that has been achieved and generate increased variability in performance.

Should an RFP establish a new provider, the learning curve related to performance improvement will begin anew. While the performance of individual providers may vary, it is likely that several years of experience would be required for a new provider to achieve the levels of reliability and consistency currently demonstrated by Metro West.

Other measures of contract compliance appear to demonstrate a number of specific opportunities for improvement. These include the implementation of the CAD to CAD interface, improved equipment and supply distribution to First response agencies, increased access to system performance data and increased interagency cooperation in PIER functions. Each of these items can be accomplished with relatively small adjustments to the existing agreement.

With customer satisfaction and contract compliance providing no obvious indication that significant improvements in quality are likely to result from a competitive process, we next investigated the cost of the ambulance component of the County EMS system to determine if it is likely that an RFP is likely to achieve similar levels of quality at a lower price.

Washington County Emergency Ambulance Costs

To determine if opportunities exist to reduce the cost of ambulance service, The Polaris Group examined financial statements and revenue reports provided by Metro West. Key reports included primary data from the most recent 12 months, from the contractor's billing system detailing numbers of transports, total charges and total dollars collected. The ambulance transport volume was correlated with County performance reports to assure that the data were appropriate and complete.

Cost Per Transport

Cost information was derived at a global, system-wide level by dividing all cash collected from all sources by the total number of transports for which a charge was generated, generating a total cost per transport. Because they are derived from total collections the costs per transport also include all franchise fees paid to the County. Comparisons were made to similar data from regional and national EMS systems of similar size and performance. This data was obtained from the 2004 Market Study produced by the Coalition of Advanced EMS Systems (CAEMSS).

This study is produced annually for CAEMSS by Jerry Overton, an officer of the organization and the Executive Director of the Richmond, Virginia Ambulance

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Authority. The CAEMSS Market Study is used by many communities in North America to make comparisons of performance and cost among EMS systems. Because the study is produced annually, some of the cost figures used were for 2003.

Metro West produced an average total cost per call during the period of February 2004 through January 2005 of \$447.55 This compares with \$478.82 (2004) in Multnomah County, \$652.60 (2004) for Clackamas, County, \$493.77 (2003) for Reno, NV, \$425.01 (2003) for Clark County, WA, \$446.60 (2003) for Solano County, CA and \$863.75 in Monterey County, CA. The following chart illustrates this cost comparison.

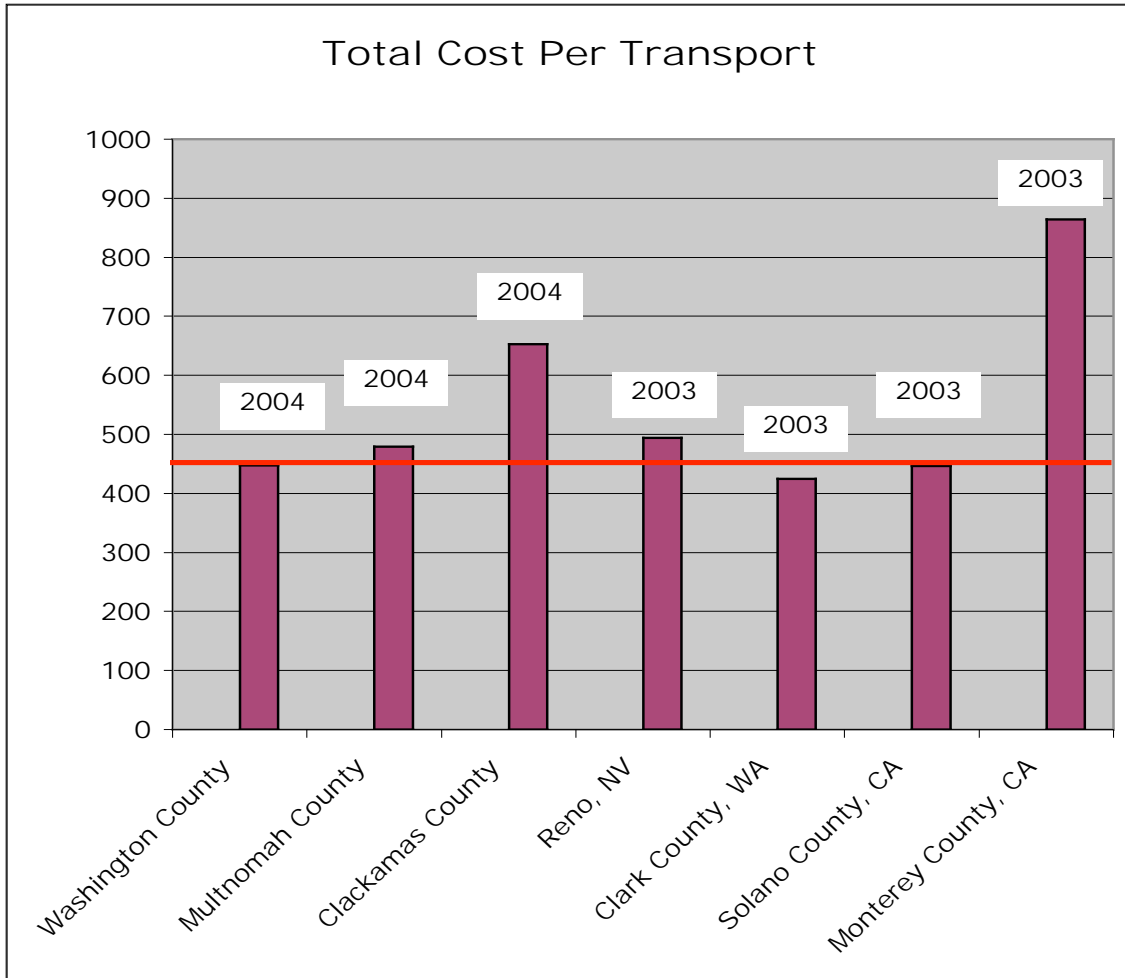


Chart Interpretation

The chart provides a comparison of the relative total cost per transport between Washington, Multnomah and Clackamas Counties using 2004 total costs and the remaining jurisdictions using 2003 cost data. Monterey, Solano and Clark Counties have recently seen increases in costs as the result of RFP processes or regularly scheduled price increases, although exact cost data has not yet been reported.

User Fees

Another highly visible measure of EMS costs is patient fees. In healthcare, charges and costs are very different matters. Cost shifting, low collection rates and subsidies often

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skew the comparison of EMS rates. Ambulance providers normally use a complicated matrix of charges. For the purpose of comparison the following table compares Advanced Life Support Base rates among the same similar systems using data available through the *CAEMSS Market Study* and data provided by Multnomah and Clackamas Counties.

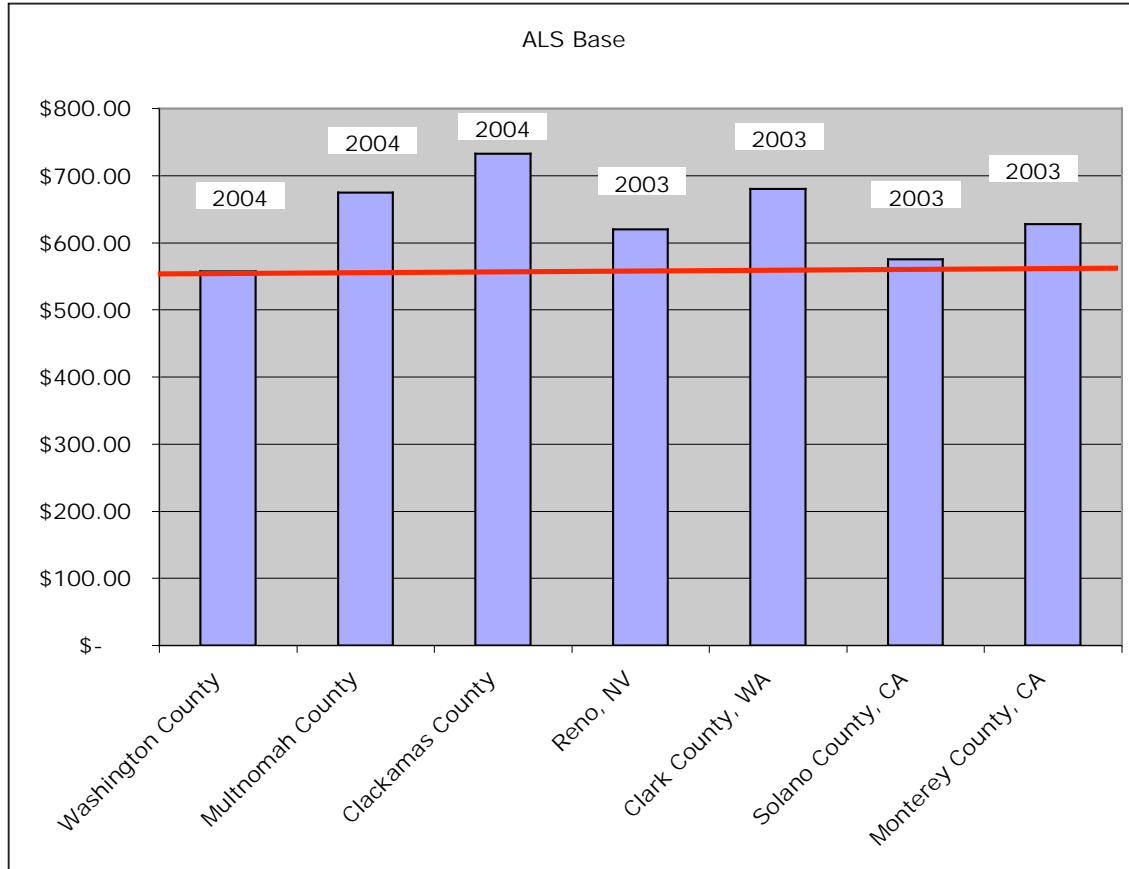


Chart Interpretation

The chart clearly demonstrates that the ALS base rate charged in Washington County during 2004 was lower than those charged in the selected similar markets during 2004 or 2003.

EMS Costs Conclusion

Washington County currently enjoys high performance ambulance services at costs and user fees that are lower than those of comparable markets.

Primary Recommendation

Based on the due diligence completed in this study, The Polaris Group concludes that there is much risk in terms of system stability, performance and cost and likely little to gain in terms of community value in subjecting the Washington County EMS system to an ambulance RFP process at this time. The time and money that would be spent on in conducting an RFP or bid may be better spent on resolving the various smaller issues and

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opportunities identified by system stakeholders through renegotiation of the ambulance contract and restructuring of certain other system components.

The County has sufficient authority to revise the ASA plan, County Code and Administrative Rules to permit renegotiation prior to the contractually required September deadline for notification of intentions to the incumbent provider. Should the County not succeed renegotiating a satisfactory contract with Metro West before the deadline, there will still be sufficient time to conduct a competitive process. However, should the County succeed in negotiating certain improvements, they may be implemented as much as 12 months earlier and at substantially less cost than possible using a competitive process.

Additional Recommendations

Based on information gathered during the stakeholder interviews, The Polaris Group recommends that the County consider the following initiatives during the revision of the ASA plan and contract renegotiation. (Where applicable, the agency(ies) identifying the issues are noted.)

- **Within the renegotiated contract include provisions that:**
 - Enable and encourage Fire response integration with the ambulance provider. (Fire Departments)
 - Require improved methods for returning Fire medics to stations/districts. (Fire Departments)
 - Improve interagency training, and PIER opportunities. (Multiple)
 - Improve First responder resupply and equipment exchange procedures. (Multiple)
 - Enhance the ability of the contractor to invest in the EMS system by adopting an initial term of 5-years.
 - Encourage consistent performance by providing a mechanism for earned long-term contract renewals as long as the provider meets and exceeds the contract requirements. (Multiple)
 - Require additional operational and financial reporting. (Multiple)
 - Clarify response protocols for “staging” and rural responses. (WCCCA)
 - Resolve the CAD interface issues by requiring an advanced 2-way connection. (WCCCA)
 - Require improved dispatch “clock synchronization” to assure consistent and accurate performance reporting. (WCCCA)
- **Improve the Medical Control component by:**
 - Implementing incentives for Fire agencies to voluntarily adopt County oversight. (Multiple)
 - Consider interim or long term Board of Medical Advisors to assist and advise system-wide Medical Supervisor. (Multiple)
 - Address stroke and cardiac (including 12 lead EKG) protocols at Medical Advisory committee and/or at Board of Medical Advisors. (Hospitals)
 - Investigate improved coordination with regional EMS systems. (Multiple)
 - Assert role of County Medical Supervisor over dispatch protocols. (Multiple)
 - Consider increasing time requirement/commitment of County Medical Supervisor. (Multiple)

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- **Redesign the County EMS Office to include the following features:**
 - Improve overall leadership of entire EMS system. (Multiple)
 - Take leadership role in Countywide PIER programs (Multiple)
 - Improve participation in regional planning. (Multiple)
 - Investigate improvements in hospital diversion management. (Hospitals)
 - Investigate improvements in mental health transportation. (Hospitals)
 - Develop staffing plan and budget to meet expanded role. (Multiple)