



# City Council Study Session Agenda & General Session Cancellation Notice

**Tuesday, October 3, 2023**

6:00 p.m. - Study Session

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*Marty Simonoff, Mayor*

*Christine Marick, Mayor Pro Tem*

*Cecilia Hupp, Council Member*

*Blair Stewart, Council Member*

*Steven Vargas, Council Member*

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This agenda contains a brief general description of each item Council will consider. The City Clerk has on file copies of written documentation relating to each item of business on this Agenda available for public inspection. Contact the City Clerk's Office at (714) 990-7756 or view the Agenda and related materials on the City's website at [www.cityofbrea.net](http://www.cityofbrea.net). Materials related to an item on this agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office at 1 Civic Center Circle, Brea, CA during normal business hours. Such documents may also be available on the City's website subject to staff's ability to post documents before the meeting.

## **Procedures for Addressing the Council**

The Council encourages interested people to address this legislative body by making a brief presentation on a public hearing item when the Mayor calls the item or address other items under Matters from the Audience. State Law prohibits the City Council from responding to or acting upon matters not listed on this agenda.

The Council encourages free expression of all points of view. To allow all persons the opportunity to speak, please keep your remarks brief. If others have already expressed your position, you may simply indicate that you agree with a previous speaker. If appropriate, a spokesperson may present the views of your entire group. Council rules prohibit clapping, booing or shouts of approval or disagreement from the audience. Please silence all cell phones and other electronic equipment while the Council is in session. Thank you.

Written comments may be submitted in advance of the meeting by emailing [cityclerksgroup@cityofbrea.net](mailto:cityclerksgroup@cityofbrea.net). Written comments received by 3 p.m. on the day of the meeting will be provided to the Council, will be made available to the public at the meeting, and will be included in the official record of the meeting.

## **Special Accommodations**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (714) 990-7757. Notification 48 hours prior to the meeting will enable City staff to make reasonable arrangements to ensure accessibility. (28 CFR 35.102.35.104 ADA Title II)

## **Important Notice**

The City of Brea shows both live broadcasts and replays of City Council Meetings on Brea Cable Channel 3 and over the Internet at [www.cityofbrea.net](http://www.cityofbrea.net). Your attendance at this public meeting may result in the recording and broadcast of your image and/or voice as previously described.

**STUDY SESSION**  
6:00 p.m. - Executive Conference Room  
Level Three

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**CALL TO ORDER / ROLL CALL - COUNCIL**

1. Public Comment

**DISCUSSION ITEM**

2. Consideration of Brea Fire Ambulance Program

**REPORTS.**

3. Council Member Reports
4. Adjournment

**GENERAL SESSION – Cancelled**

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**NOTICE IS HEREBY GIVEN** that the General Session meeting of the BREA CITY COUNCIL regularly scheduled for Tuesday, October 3, 2023 has been cancelled.

The next regularly scheduled meeting will be held on Tuesday, October 17, 2023, at 1 Civic Center Circle, Brea, California.

**City of Brea**

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**COUNCIL COMMUNICATION**

**TO:** Honorable Mayor and City Council Members  
**FROM:** Bill Gallardo, City Manager  
**DATE:** 10/03/2023  
**SUBJECT:** Consideration of Brea Fire Ambulance Program

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**RECOMMENDATION**

Direction from City Council regarding the consideration of a Brea Fire Ambulance Program

**BACKGROUND/DISCUSSION**

The City of Brea has an obligation to administer ambulance services under Health and Safety Code 1797.201. According to the Orange County Health Care Agency, Brea is an exclusive operating area which allows us to continue pre-hospital emergency medical services through the City's 201 rights and must continue its provision of pre-hospital emergency medical services in the same manner and scope as it has been providing since January 1, 1981. This allows the City to maintain control over the program in Brea whether it is provided through a contracted transport company, or through an in-house ambulance program.

Emergency ambulance transport services, and related billing services, has been provided to the community by a third-party contractor, Emergency Ambulance Services, Inc. (EAS), since 1978. EAS has assisted the Fire Department by providing Basic Life Support (BLS) functions during ambulance transport and by billing insurance providers for services rendered. The billing also includes Advanced Life Support (ALS) functions performed by Brea firefighter paramedic staff in connection with assessment, treatment and/or transport of community members.

While EAS has been providing service since 1978, there has never been a formal contract in place. In order for the City to preserve its 201 rights, on September 9, 2021 the City released a Request for Proposal (RFP) for emergency ambulance transport and billing services. The RFP included that the ambulance contractor would be responsible for billing, apparatus, and personnel. EAS was the only ambulance company that responded to the RFP.

The Brea Fire Department entered into a formal written agreement with EAS on March 1, 2022. Per the contract, EAS would house ambulances at Brea fire stations 2 and 3, along with two Emergency Medical Technicians (EMT) at each station, per shift. The intent of co-locating the ambulances in the station was to improve response times and provide better overall service to the community.

**Current Challenges**

As part of the contract, the EMTs from EAS are required to participate in Brea Fire Department EMS training, skill review, and orientation before serving on a primary ambulance unit. Since the inception of the contract, there have been several disciplinary issues with EAS EMTs resulting in

removal or required corrective behavior. As a result, EAS has been assigning replacement EMTs to fill the vacancies without an orientation nor skill review, and without warning to Brea Fire personnel that a new EMT is being placed on a shift. The department attributes the constant turnover of EAS EMTs to them not being vetted City employees that are invested in both the department and the community.

Another challenge with the current ambulance transport model has to do with lack of coverage. Surge responses require that EAS ambulances normally assigned to Brea, have to respond to Placentia when their contract paramedic ambulances are unavailable. That results in a lack of coverage in Brea.

The contract with EAS states that EAS will provide all billing and collection services related to all pre-hospital ambulance services. EAS remits to the City a portion of the collected funds from Advanced Life Support (ALS) transports. EAS was to establish an auditable billing system available to the City and maintain accurate and complete records of all patient accounting. To date, there has been major concerns with both billing and remittance from EAS, causing the City to hire an auditor to complete a full audit of the billing and payments. Result of the audit has shown discrepancies and inaccuracies in payments to the city, and EAS has not been forthcoming with producing all requested documentation. A final report will soon be released to the City from the auditor.

### Options

In order to better serve the Brea community, Brea Fire staff is recommending the creation of an In-House Ambulance Services Program. There are two different service models that are being presented.

The first option is to continue to operate with a third-party vendor to provide ambulance transport services based upon a contractual amount. The vendor would provide the apparatus and personnel. The ambulances would continue to operate out of fire stations 2 and 3. The ambulance billing, however, would be provided through a separate third-party contractor. Current operational concerns may continue with a third-party ambulance operator, but at least the billing issues would be corrected by having it processed by a neutral third-party.

Option two (2) is to create an in-house ambulance program. In this model, the ambulances would be owned and operated by the City. The ambulance operators would be Brea employees and the billing would be provided by a third-party contractor.

Overall, option two (2) offers the most benefit for the Brea community. Having an in-house ambulance program enables the Brea Fire Department to maintain a higher level of control over the quality of services provided. That includes, monitoring staff training, adhering to protocol, and overall patient care. An in-house program offers more control over workplace policies, procedures, and the work environment. Ultimately, leading to higher job satisfaction where employees feel valued and involved in the decision-making process, and that can lower the turnover rate. An in-house program also allows for more direct communication between line-level staff and management. That type of open-line communication can address concerns and issues more quickly and effectively.

In addition, an in-house ambulance program can foster a stronger sense of community engagement. Residents will feel a greater connection with a service that is directly operated by the Brea Fire Department. The ambulance operators will become more familiar with local

geography and the culture of the Brea community. The in-house program can become part of the Brea Fire brand identity and contribute to its reputation for community service and commitment to public safety. There is also the added benefit of succession planning with the high possibility of promoting ambulance operator/EMTs to Brea firefighters

As with any new program, there are also challenges and risks associated with an in-house program. There will be added administrative responsibilities which include hiring, training, and management of personnel, as well as the retention of staff. There is also the cost of procurement and maintenance of ambulances and equipment. The City would be tasked with ensuring the ambulance program meets various regulations and licensing requirements.

There are several other cities in Orange County that have successful in-house ambulance programs. These cities include, Anaheim, Orange, Huntington Beach, and Laguna Beach.

The next step, should Council give direction to move ahead with either of the options, is to negotiate contracts with third-party billing contractors. If option two is considered, the next steps would also include ordering ambulances, establishing job classifications, securing surge plan ambulance agreements, and submitting applications to Medicare and Medi-Cal as an ambulance service provider.

**FISCAL IMPACT/SUMMARY**

The fiscal impact will depend on the direction given by Council.

The fiscal impact of option one includes hiring a part-time Administrative Clerk to assist with administering the billing contract, the ambulance billing contract itself, and the ambulance transport contract. The total expenditures over the next three years are between \$1.6 and \$1.7 million. The revenues over expenditures are approximately \$265,000, \$375,000 and \$386,000 respectively over the next three years. These estimated calculations are based on billing revenue projected by an ambulance billing provider based upon incident data, a 4.25% rate for the billing contractor, and updated ALS/BLS call data projections.

**IN-HOUSE AMBULANCE PROGRAM**

**COST ESTIMATE**

	YEAR 1	YEAR 2	YEAR 3
<b>Revenues</b>			
Ambulance Billing Revenue (Net collections)	\$ 1,817,535	\$ 1,963,439	\$ 2,008,044
<b>Total Revenues</b>	<b>\$ 1,817,535</b>	<b>\$ 1,963,439</b>	<b>\$ 2,008,044</b>
<b>Expenditures</b>			
Salary and Benefit Costs	\$ 1,034,407	\$ 1,055,095	\$ 1,076,197
Operating Costs			
Ambulance Billing Contract	\$ 88,584	\$ 94,786	\$ 96,681
Ambulance Transport Equipment (One-Time)	\$ 62,400	\$ -	\$ -
Ambulance Overhead Expenses	\$ 223,534	\$ 228,005	\$ 232,565
All Other Operating Costs	\$ 124,747	\$ 127,242	\$ 129,787
Capital Costs (One-Time)	\$ 842,264	\$ -	\$ -
<b>Total Expenditures</b>	<b>\$ 2,375,936</b>	<b>\$ 1,505,128</b>	<b>\$ 1,535,230</b>
<b>Revenues over Expenditures</b>	<b>\$ (558,401)</b>	<b>\$ 458,311</b>	<b>\$ 472,814</b>

The fiscal impact of option two includes a loss in revenue in year one due to start up costs but an increase in revenue in years two and three over option one. The start-up costs in year one includes the purchase of three new ambulances and the equipment necessary to supply each ambulance. Other costs associated in option two are the salary and benefits for 12 ambulance operators and one part-time administrative clerk, the ambulance billing contract, ambulance maintenance and repair, and other costs such as uniforms, training and liability insurance. The estimated revenues over expenditures are (\$558,401), \$458,000, and \$472,000 for years one through three.

**PRIVATE PARTNERSHIP AMBULANCE PROGRAM**

<b>COST ESTIMATE</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>
<b>Revenues</b>			
Ambulance Billing Revenue (Net collections)	\$ 1,877,903	\$ 2,023,807	\$ 2,068,412
<b>Total Revenues</b>	<b>\$ 1,877,903</b>	<b>\$ 2,023,807</b>	<b>\$ 2,068,412</b>
<b>Expenditures</b>			
Salary and Benefit Costs	\$ 34,514	\$ 35,204	\$ 35,908
Operating Costs			
Ambulance Billing Contract	\$ 88,584	\$ 94,786	\$ 96,681
Ambulance Transport Contract	\$ 1,489,200	\$ 1,518,984	\$ 1,549,364
Ambulance Overhead Expenses	\$ -	\$ -	\$ -
All Other Operating Costs	\$ -	\$ -	\$ -
Capital Costs (One-Time)	\$ -	\$ -	\$ -
<b>Total Expenditures</b>	<b>\$ 1,612,298</b>	<b>\$ 1,648,974</b>	<b>\$ 1,681,953</b>
<b>Revenues over Expenditures</b>	<b>\$ 265,605</b>	<b>\$ 374,833</b>	<b>\$ 386,459</b>

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Lisa Keyworth, Emergency Preparedness Coordinator

Concurrence: George Avery, Fire Chief