

City of Milwaukee

200 E. Wells Street Milwaukee, Wisconsin 53202

Meeting Minutes

AMBULANCE SERVICE BOARD

Ald. Terry Witkowski, Chair Bevan Baker, Dr. Andrew Calvert, Dr. Paul Coogan, Jeff Fleming, Steve Fronk, Dr. M. Riccardo Colella and Robert Riepenhoff

Staff Assistant, Joanna Polanco, 286-2366, Fax: 286-3456, jpolan@milwaukee.gov Legislative Liaison, Adam Wickersham, 286-2170, adam.wickersham@milwaukee.gov

Monday, November 27, 2017

10:00 AM

Room 301-A, City Hall

- 1. Meeting called to order at 10:03 AM
- 2. Roll Call
- Present 5 Rotar, Witkowski, Fronk, Calvert and Fleming Jr.
- Absent 4 Baker, Coogan, Colella and Riepenhoff
- 3. Approval of the November 14, 2017 minutes.

Motion by Mrs. Rotar, seonded by Mr. Fleming, to approve minutes of November 14, 2017. There were no objections.

4. The Ambulance Service Board will go into closed session, pursuant to Wis. Stat. § 19.85(1)(e), for the purpose of formulating strategies relating to the negotiation of long term contracts for ambulance service providers. The Ambulance Service Board may then reconvene in open session to take action on matters considered in closed session and/or to continue with the remainder of its agenda.

Board did not need to go into Closed Session.

5. Discussion relating to contracts for Ambulance Service Providers.

Appearing:

Adam Stephens - Deputy City Attorney
Atty. Gimbel, Representative for Bell Ambulance
Brian Randall, Representative for Paratech and Meda Care Ambulance
Mr. James Baker, Curtis Ambulance
Rick Zehetner, President for Bell Ambulance (written statement)
Wayne Jurecki, Vice President/COO for Bell Ambulance, Inc. (written statement)
Paul Rausch, Paratech Ambulance Service
Chief Mark Rohlfing - MFD Chief

Ald. Witkowski recapped by saying that last meeting there were three items to discuss brought up by the board, providing information on services, providers were asked to

meet to agree on a map for services and should it be 3 or 4 ambulance service providers.

Mr. Stephens said that as it related to the language on the proposed contract, copies were provided to four ambulance providers and their counsel, also copies were distributed to ASB members, first two pages is a summary of changes need to be made to sections of the contract. As it relates to the maps, Mr. Stephens asked each ambulance provider to come to the table and explain their position. He passed to members a current map as it exists; Curtis and Bell have expressed that they would like to continue their current zones. Medacare and Paratech have offered an alternative.

Ald. Witkowski received an email from Friebert, Finerty and St. Johns, S.C. and Gimbel – Reilly - Guerin – Brown, LLP passed to all members.

Atty. Gimbel, representing Bell Ambulance mentioned a letter sent to Ald. Witkowski stating that ambulance service providers were unable to come up to a consensus regarding zone map.

Atty. Randall on behalf of Paratech and Medacare, said that his client received the language proposed by Mr. Stephens and said that it will be workable agreement for Paratech/Medacare, second item is that Paratech and Medacare are separate entities and appropriately worthy of recertification to be a service provider.

Mr. Baker said that Curtis ambulance has no disagreement with current proposed contract; however, he would like to hear today's discussion before stating his position.

Mr. Rick Zehetner offered the following statement to board, during the pendency of the existing Milwaukee EMS provider contract; it became obvious that one provider, Paratech, had a disproportionately large share of the BLS fire calls dispatches from the Milwaukee Fire Department. Even though the Ordinance and contract provided for periodic adjustments, Paratech steadfastly resisted any change in service area boundaries.

During the second half of 2016, for whatever reason, Paratech purchased MedaCare. During hearings before the Ambulance Service Board on Wednesday, November 9, 2016 and the Public Safety Committee on Thursday, November 10, 2016, Bell and Curtis requested a reappointment of the city into the three relatively equal service areas, based upon the fact that there were now three certified providers in the EMS System. Paratech emphatically asserted that though there was common ownership of Paratech and Medacare, they were in fact operated as two separate companies, and therefore were entitled to both the Paratech and the Medacare assigned service area. Both the ambulance service board and the public safety committee determined to maintain the "status quo', and deal with the issue during the contract renegotiation to take place during 2017.

During the recent contract negotiations Paratech continued to assert that there must be four certified providers and four service areas. The contract negotiations are basically complete, leaving two main issues: number of certified providers and number and boundaries of service areas. The providers were instructed to meet and come up with a plan.

On Monday, November 20, 2017, all parties met. Curtis asserted that they were willing to maintain their existing service area for the next contract.

Bell offered a series of proposed maps, each increasing the volume of Bell's fire calls received, but still maintaining the combined Paratech/Medacare service area at between 39.6% and 43.4% of the total BLS fire calls dispatched by the MFD. Each offer received a firm "no" from Paratech/Mecare, along with a demand for them to take a portion of Bell's existing area. The parties had not reached any agreement, certainly not to cede any portion of Bell's existing service area; Bell committed to nothing prior to agreeing to resume discussion on a conference call on Tuesday, November 21st.

Through discussion with counsel, Bell determined that Partech's motive was not to balance "Bell's documented and repeatedly-stated desire for increased call volume," but rather to dump a quantity of Medacare's "bad" calls on Bell, bad on a "collectability" basis, while taking a portion of Bell's "good" calls.

This "dumping" and "taking" is evidenced by three attachments: Paratech/Medacare proposed map of November 2, Bell's Option 6 map of November 19, with hand written notations made by Paratech/Medacare, Paratech/Medacare proposed map of November 24.

Note that each of these maps shows Bell gaining what Paratech/Medacare calls bad calls from the Medacare area, but also show Paratech/Medacare taking good calls from the existing Bell service area.

Bell came to the conclusion that Paratech/Medacare was not negotiating in good faith. We determined that Bell's best course of action was to take all proposals off the table, concede to Paratech/Medacare that there should be four certified providers with four service areas and for expediency, accede to the hard-fought Paratech/Medacare proposal of November 2016 to leave the service areas as is, maintaining the "status quo". Additionally, this plan saves the Fire Department any cost or delay in implementing changes to its computer dispatch system.

This "status quo" plan was announced to the other participants during the conference call of Tuesday, November 21st and was agreed to by Curtis. Paratech/Medacare's Mr. Rausch, Mr. Romanshek and attorney Randall all expressed their displeasure. Map proposed schedule A, was distributed to all participants by email showing the present boundaries and the percentages of BLS dispatches received by each service area during the period of September 1, 2016 to August 31, 2017.

At the end of the conference call Mr. Rauch confirmed his true motive by stating "we're going to be in for a fight on Monday...! need to get rid of some of that bad area!"

Mr. Jurecki offered the following written statement, regarding the issue of "collectability" of BLS calls dispatched to the certified providers by the Milwaukee Fire Department.

The U.S. Census Bureau maintains a database of Median Household Income for the City of Milwaukee broken down by block group. Each block group covers 600 to 3000 people.

Attached to his statement there was Map B. Each dot on the map represents an MFD incident that resulted in a request for one or more BLS ambulances from one of the four certified providers between September 1, 2016 and August 31, 2017, over 64,000 of them. The color of the dots represents the median household income within that census block group. red represents median household income less than \$30,000,

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yellow represents median household income of \$30,000 to \$50,000 and green represents median household income of more than \$50,000.

It is safe to assume that the BLS ambulance requests from the poorest areas of the city, the red dots, are most likely to have no reimbursement coverage at all or to be covered by Medicaid (Medicaid pays substantially less than cost for ambulance service!). With respect to ambulance service reimbursement, we can assume that these areas are economically "bad" areas.

We can also assume that the BLS ambulance requests from the more affluent areas of the city, the yellow and green dots, are likely to be reimbursed by insurance, Medicare, or private pay, and therefore are assumed to be economically "good" areas.

Please also recognize that people with lower income levels use ambulance service much more frequently than people with higher incomes.

Using the census bureau data for the over 64,000 locations where BLS ambulance were requested during this period, I have calculated an average median household income of \$29,556.64 for all users of the City EMS system. Using this number, I can calculate a "collectability score" for each of the assigned service areas relative to the City EMS system as a whole. This collectability score should not be confused with percentages of billings that are cash-collectable, but rather a way to determine if one service area is more collectable than another.

The Curtis service area currently receives 24.7% of the BLS dispatches, and has a collectability score of 98%.

The Bell service area currently receives 23.0% of the BLS dispatches, and has a collectability score of 103.2%.

The Paratech service area currently receives 30.6% of the BLS dispatches, and has a collectability score of 115.2%

The Medacare service area currently receives 21.7% of the BLS dispatches, and has a collectability score of 77.4%

Mr. Jurecki also attached to his statement a revised map marked proposed schedule A with "collectability" score, showing not only the percentages of BLS calls received by each service area, but also the respective collectability score.

It is clear that the Paratech service are is economically the best. It is also clear that the Medacare service area is economically the worst. We don't know why Paratech chose to acquire Medacare, but buyer's remorse is not a reason to disrupt the EMS system.

Again, Paratech/Medacare has insisted that they are two separate providers and are entitled to two service areas. We have conceded that. If you combine the existing Paratech service area with the existing Medacare service area, the two service areas together receive 52.3% of the BLS dispatches, and have a combined collectability score of 99.5%

In conclusion, Paratech/Medacare combined receives over 52% of the BLS dispatch calls, and has a combined collectability score of 99.5%. This appears to be a very equitable distribution among the four providers, and a good reason to maintain the

"status quo".

As Mr. Randall asked during the Tuesday November 21 conference call, if Paratech/Medacare wish to move the line between their two service areas to more equitable distribute the calls between their service areas, we have no objections. As a courtesy to them I have attached a suggested map marked courtesy map which would give the Paratech area 25.1% of the calls and a collectability score of 103. %, and give the Medacare area 27.2% of the calls and a collectability score of 96.2%.

Atty. Randall passed a map to clarified statement made, in November of 2016 the acquisition of Paratech by Medacare was approved by ASB, it was City Attorney, Langley that asked the board to leave the service zones the way they are. Atty. Gimbel distributed a map showing Bell's area growing; Atty. Randall also clarified maps distributed to board members.

Atty. Randall distributed purple map to explain that the lighter color are where the Medicaid insurance patience mix is less; the darker the color the more title 19 patients there are and the less economically viable it is. The November 2 letter pointed out that it would be appropriate taking into consideration service capacities, previous performances and other information brought forth into the recertification process; one of the 2017 pieces of information that need to be reconcile is how the Medicare service area taken into account.

Mrs. Rotar asked waht is the average amount of a BLS transport billed vs what is received.

Mr. Romanshek explained the board what happens for example to a fee of \$655.00, it gets reduce by Medicare, Medicare would allow \$151.84 for an emergency BLS call. Title 19 in early 2000 stoped paying 20% co-payment on medicare patients. so medicare would pay 80% and 20% was picked up by title 19 and title 19 stoped paying that 20%.

Mr. Fleming asked the ambulance service providers if they have looked at the demographics projections going forward.

Mr. Zehetner responded that depmgraphics do not play a role in this issue. The northwest side of the map will continue to be a challenging part in this process.

Atty. Stephens said that the conversation that took place today have demonstrated the complexity of the charge of this board and the ordinance. The city Attorney's office, through the ordinance, the ambulance service board and the private ambulance service providers, are providing a neccessary public service to the the City in general. The City is not in the position of making boundaries and imposing them to the ambulance service providers. If the City would determine the boundaries, it would less precise since the ambulance service providers are the one with that level of expertise. The board could request the Fire Chief, as the technical expert, to divide the lines for services.

Chief Rohlfing said that he would be able to make a recommendation based on the fire department's historical data with some criteria provided by the ambulance service board, and report back.

Atty. Stephens offered two options for the board to take action: providers could enter into a contract for another 10-year plan using the map as it exist now, but setting forth

a criteria of creating a new map in the next year; extend the current contract for another 6-12 months, or some variation of these two options.

6. Discussion relating to issuance, renewal, suspension, revocation and reinstatement of certified provider certificates.

Item to be discuss at next meeting.

7. Resolution relating to certification of ambulance service providers for the citywide emergency medical service system.

File was held to the call of the chair by Mr. Fleming. There were no objections.

Meeting adjourned at 11:32 PM
 Joanna Polanco
 Staff Assistant

Ambulance Service Board will reconvened on Monday, December 4th at 10:00 AM to finalized contract negotiations.

In the event that Common Council members who are not members of this committee attend this meeting, this meeting may also simultaneously constitute a meeting of the Common Council or any of the following committees: Community and Economic Development, Finance and Personnel, Judiciary and Legislation, Licenses, Public Safety, Public Works, Zoning, Neighborhoods & Development, and/or Steering and Rules. Whether a simultaneous meeting is occurring depends on whether the presence of one or more of the Common Council member results in a quorum of the Common Council or any of the above committees, and, if there is a quorum of another committee, whether any agenda items listed above involve matters within that committee's realm of authority. In the event that a simultaneous meeting is occurring, no action other than information gathering will be taken at the simultaneous meeting.

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