



**Northwest Fire District
Governing Board**
13535 North Marana Main Street
Marana, Arizona

SCHEDULED

MEMORANDUM NO. {{item.tracking_number}}

Date:	September 24, 2024
To:	Governing Board
From:	Brian Keeley, Deputy Chief
Division:	Operational Services
Type of Action:	Formal Action/Motion
Strategic Plan Goals:	Develop and document administrative processes to foster communication, collaboration, involvement, transparency, fiscal responsibility, and succession Maximize collaboration with outside partners and stakeholders
Agenda Item:	Discussion and Possible Action Regarding the Mutual Termination of Ambulance Transportation, Housing, Dispatch, and Labor Services Agreements by and Between American Medical Response, Inc., a Colorado Corporation (AMR), and Northwest Fire District

RECOMMENDATION:

Staff recommends approval for the mutual termination of the Ambulance Transportation, Housing, Dispatch, and Labor agreements with American Medical Response, as attached, to be effective October 5, 2024.

MOTION:

Move to approve the termination of the Ambulance Transportation, Housing, Dispatch, and Labor agreements with American Medical Response, as attached, to be effective October 5, 2024.

DISCUSSION:

The six (6) year transportation, housing, dispatch, and labor agreements between NWFD and AMR are set to expire in March of 2025. NWFD and AMR management have been meeting for several months to discuss and identify the future cooperative relationship following the expiration of the current agreements. Two significant changes were identified by NWFD and AMR that have led both parties to mutually request the early termination of all agreements and impose changes to AMR resource deployment effective October 5, 2024.

The first significant change is a request made by NWFD to have AMR terminate the housing agreement requiring a relocation of AMR employees from within NWFD stations. The District has identified that greater system efficiency and effectiveness could be achieved with certain support apparatus and rover personnel being redeployed into certain stations. Due to the presence of AMR personnel and associated apparatus at Stations

330, 331, and 338 there is not sufficient bay and sleeping space for NWFD to execute these necessary advancements. Needing to recapture living and apparatus space for District specific use is the motivating factor for requesting the termination of this agreement. AMR management is in agreement with this request, and both parties have tentatively consented to AMR personnel and equipment relocating from the identified District facilities on October 5, 2024.

The second significant change comes at the request of AMR management. AMR is responsible for ambulance transportation throughout Southern Arizona to include ALS, BLS, and Interfacility Transports (IFT). Following analysis of call volume and unit hour utilization (UHU) data for the three (3) AMR ambulances based out of NWFD stations, AMR determined that 24/7 staffing of these units was not in the best operational interest of AMR. District staff wholeheartedly agree with their assessment.

Due to significant needs for additional personnel and apparatus in other regions of Southern Arizona, AMR requested to change their coverage model for BLS transports within NWFD boundaries to three (3) twelve (12) hour units. These units would have a staggered deployment of 0700-1900, 0800-2000, and 0900-2100. During the hours of 2100-0700 NWFD will utilize its existing resources to transport both ALS and BLS patients which is allowed under our Certificate of Necessity.

Based on data analysis of the three (3) prior years, the data infers that an average of three (3) transports per day will be added to the current NWFD transport system volume, which is currently covered by six (6) ALS transports. Noting these additional transports will be dispersed across these existing units, doing so is well within our current operating ability to absorb without additional personnel or apparatus being necessary.

It should be noted that certain provisions within these agreements may continue to be followed, at times or as needed, with mutual agreement from AMR and the District. For example, AMR will continue to be dispatched to provide BLS transportation during certain specified timeframes as noted above. However, given changes within the Arizona Department of Health Services (AZDHS), mutual agreements such as this between certificated providers no longer require AZDHS review and approval. As a result, they also do not require Board approval.

Moving forward, agreements such as these will be handled as simple administrative or operational agreements between agencies, which require Fire Chief (or authorized designee) approval only. However, since the original agreements were Board approved at the time of their inception, Board approval is being sought to now terminate them. District staff is supportive of AMR's request to terminate and redeploy assets and personnel, as AMR management is supportive of our request to terminate and recapture necessary living and apparatus space. Both AMR and the District also mutually agree to share responsibility for BLS ambulance transportation as noted.

Lastly, the fiscal impact is a loss of budgeted revenue for the remainder of FY24/25 of \$103,500. However, this loss would be offset by an increase in ambulance billing revenue of roughly \$1.3M for the remainder of FY24/25. The net effect is an increase in unbudgeted revenue of \$1.2M for FY24/25. The full year impact of this change for FY25/26 is an increase of approx. \$1.8M in budgeted revenue over the current FY.

ALTERNATIVES:

Staff is not recommending any alternatives.

Fiscal Impact

FISCAL YEAR: 24/25

BUDGETED Y/N: N/A

AMOUNT REQUESTED: \$0

FISCAL IMPACT: Reduction in revenue from loss of housing and dispatch fees in the amount of \$103,500 for the remainder of FY24/25 (full FY amount is \$138,000). Increase in ambulance billing revenue based on average of 3 additional transports per day in the amount of \$1,311,819 for the remainder of FY24/25 (full FY amount is \$1,779,977). These figures are based on base rate and do not include billable mileage.

Attachments

Arizona Department of Health Services Approval Letter
Mutual Termination Agreement
2018 Amended Agreement