RECOMMENDED ACTION AND JUSTIFICATION: (Policy Item: Yes ___ No X)

Discussion and possible action relative to the extension of the Mercy Medical Transportation, Inc. Agreement for two years based upon the terms and conditions of the existing Agreement as recommended by the Board Committee. The current Agreement expires on December 31, 1996. The Board Committee consists of Supervisor Balmain, Supervisor Parker, and Dr. Mosher. Their recommendation is as follows:

- In accordance with paragraph 14 on page 12 of the original Agreement (copy attached for reference), extend the Agreement for an additional two year period upon the following conditions:

  The first year, the subsidy will remain as it currently exists, i.e., $12,000 per month. In addition, the County will procure the benefit of any profits made on the contract between Mercy and Yosemite National Park to offset that subsidy. In the second year during the month of December, the County will negotiate the amount of subsidy with Mercy, if any. Any subsidy, if approved for the second year, will not exceed the current subsidy as the goal is to reduce it.

Included in this package is a copy of Mercy's proposal.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

January 1, 1994 - The Board entered into an Agreement with Mercy Medical Transportation, Inc. by authorizing the Administrative Officer to sign.

July 19, 1994 - An amendment to the Agreement was approved by the Board to clarify a few provisions.

September 24, 1996 - The Board approved an amendment to the Agreement as Mercy had agreed to allow the County to reduce its subsidy by the profits from the Mercy/Yosemite Agreement.

LIST ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

- Approve this action as requested.
- Do not approve action. A negative action would result in the County not continuing to benefit from the subsidy reduction.

COSTS: ( ) Not Applicable
A. Budgeted current FY $  
B. Total anticipated costs $  
C. Required additional funding $  
D. Internal transfers $  

SOURCE: ( ) 4/5ths Vote Required
A. Unanticipated revenues $  
B. Reserve for contingencies $  
C. Source description:  
Balance in Reserve for Contingencies, if approved: $  

SPECIAL INSTRUCTIONS:
List the attachments and number the pages consecutively:
Mercy Medical Transportation, Inc. proposal. Existing Agreement with amendments.

CLERK'S USE ONLY:  
Res. No.: _96-513_ Ord. No. ____________  
ADMINISTRATIVE OFFICER'S RECOMMENDATION:
This item on agenda as:
The foregoing instrument is a correct copy of the original on file in this office.

ATTEST: MARGIE WILLIAMS, Clerk of the Board
County of Mariposa, State of California

By: Deputy

12-15DSA

Action Form Revised 5/92
MARIPOSA COUNTY BOARD OF SUPERVISORS

MINUTE ORDER

TO:        JEFFREY G. GREEN, County Counsel
FROM:      MARGIE WILLIAMS, Clerk of the Board
SUBJECT:   EXTENSION OF THE MERCY MEDICAL TRANSPORTATION AGREEMENT, RES. 96-513

THE BOARD OF SUPERVISORS OF MARIPOSA COUNTY, CALIFORNIA,

ADOPTED THIS Order on December 17, 1996

ACTION AND VOTE:

10:00 a.m. Jeffrey G. Green, County Counsel;
Discussion and Possible Action Relative to the Extension of the Mercy Medical Transportation, Inc., Agreement
BOARD ACTION: (M)Pickard, (S)Stewart, Res. 96-513 adopted approving extension to the agreement as recommended/Ayes: Unanimous. Rick Roesch/Mercy Medical Transportation, thanked the community and Mercy employees for their support.

cc:        Ken Hawkins, Auditor
            Dr. Mosher, Health Officer
            Bill Bondshu
            File
November 22, 1996

Board Of Supervisors
Mariposa County
P.O. Box 784
Mariposa, CA 95338

Re: Agenda Request For 12-17-96

Dear Supervisors,

It is with great pleasure that I am writing to ask the Board for a two year extension of Mercy's contract with the County to provide emergency ambulance service per section 14 of our contract. We will be requesting this extension without an increase in our subsidy. In addition any cumulative profits on the Yosemite contract will be used, on an annual basis, to reduce the current $12,000 per month subsidy.

Some of the Supervisors were not Supervisors during the time when our contract was initially signed. I feel it is important to give some background. Three years ago Riggs ambulance service (Merced) provided service for the county for a subsidy of $12,000 per month. The County went out to bid and the only bid to cover the entire County was from Riggs and the subsidy request was $21,333 per month.

Riggs service included two ambulances. One was located at CDF headquarters on Highway 49 North and the other was located at CDF just north of Coulterville. There was no Medic 222.

The County was not happy with the bid they received from Riggs. At that point I talked to the County and made a proposal to provide upgraded services for $12,000 per month. The upgrade was that in addition to the two units Riggs provided we would add two more units. One would be a mechanical backup and the other would be an ALS on-call 24 hour unit. This unit is staffed up every time one of our two staffed units are going to leave the County on a transfer. This has allowed Mercy to cover virtually all calls for service in Mariposa County. The County accepted our proposal on December 7, 1993 and we started service on January 1, 1994.
With the upgraded service we increased the cost of providing quality ambulance services by $70,000 to $90,000 per year.

I have stated that I would like to eliminate the subsidy that we receive from the County. I have tried very hard to accomplish this goal. At this time we can not reduce the subsidy. Some of the reasons for this are as follows:

1) Yosemite Contract

I entered into the Yosemite contract believing that it would be profitable. This has not turned out to be the case. We were required to pay employees about 30% more than we pay in Mariposa. We were required to rent an ambulance from NPS. We were not allowed to bill Doctors for our assistance in the Clinic. I believe I can get this fixed next year.

2) Pay raises

Over the last three years we have increased payroll by about 9%. This has cost us an extra $40,000 per year.

3) Work Comp

Our Workers Comp rate has gone up 40%. This costs us an extra $24,000 per year.

4) Minimum Wage Increase

The Federal minimum wage has gone from $4.25 to $4.75. The voters just approved another increase to $5.75 per hour. This will increase our costs! Our starting full time pay for an EMT was $4.29 per hour.

5) Revenues Are Not Increasing

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994</td>
<td>$1,112,680</td>
</tr>
<tr>
<td>1995</td>
<td>$1,188,971</td>
</tr>
<tr>
<td>1996</td>
<td>$1,118,000 Estimate</td>
</tr>
</tbody>
</table>

Without increased revenues are increased costs are really going to hurt.

Due to the above reasons we feel that we can not reduce our subsidy at this time. We will continue to look at different ways to reduce or eliminate our subsidy.

Sincerely,

Richard F. Roesch
President