



RALPH M. TERRAZAS  
FIRE CHIEF

August 24, 2020

BOARD OF FIRE COMMISSIONERS  
FILE NO. 20-077

TO: Board of Fire Commissioners

FROM:  Ralph M. Terrazas, Fire Chief

SUBJECT: AGREEMENT BETWEEN THE CITY OF LOS ANGELES AND KAISER  
FOUNDATION HEALTH PLAN INC. FOR PROVISION OF TARGETED-  
DESTINATION AMBULANCE SERVICES

FINAL ACTION:	<input type="checkbox"/> Approved	<input type="checkbox"/> Approved w/Corrections	<input type="checkbox"/> Withdrawn
	<input type="checkbox"/> Denied	<input type="checkbox"/> Received & Filed	<input type="checkbox"/> Other

### SUMMARY

The Los Angeles Fire Department (LAFD) and the Kaiser Foundation Health Plan Inc. (Kaiser) have had a long history of working together to address issues related to EMS care. One such collaboration is the Targeted Destination Program, which began under the first agreement in 1998, wherein LAFD transports Kaiser patients who are not in extremis or otherwise unstable directly to a Kaiser facility rather than to the nearest hospital emergency department in consideration for an additional transport fee to cover the costs associated with the extended transport.

This Program benefits Kaiser and its members because eligible patients can be transported to a Kaiser facility of their choice and receive immediate medical care without the added burden of a secondary transport from the nearest hospital to a Kaiser facility. The additional revenues generated from the Program provides funding for critical supplies for LAFD's emergency medical service program.

On May 17, 2000 (C.F. 00-0625, Ord. No. 173325) the Targeted-Destination Ambulance Services Revenue Trust Fund (Kaiser Fund) was established by City Council resolution. Funds generated from the targeted destination transport service program are deposited into the Kaiser Fund to be used to enhance paramedic services throughout the City that are not funded within LAFD's operational budget, including vital medical equipment, specialized and advanced paramedic training, and vehicles for emergency medical services.

The First Supplemental Agreement extends Agreement C-125638 from September 1, 2019 through December 31, 2019 at an existing Program Fee of \$152.63 per transport.

The new proposed five-year Agreement beginning January 1, 2020 through December 31, 2024 increases the Program Fee by 10% to \$168 per transport.

Effective January 1 of every year of the Targeted Destination Agreement, the Program Fee rate increase shall be the percent difference in the Fire Fighter III position salary (code 2112-3) in the City's Proposed Budget Detail of Department Programs (Blue Book). The annual rate adjustment will not exceed a maximum of five percent (5%) annually. The rate shall be rounded up to the nearest dollar.

The fiscal year 2020-21 estimated revenue is \$1.1 million and is expected to increase proportionately by the annual rate increase.

The City Attorney has reviewed and approved the two agreements as to legal form. Pursuant to Los Angeles City Charter Section 373, approval by the City Council is required.

### **RECOMMENDATIONS**

That the Board:

1. Approve and authorize the Fire Chief to execute the 1) First Supplemental Agreement C-125638 between the City and Kaiser, extending the term through December 31, 2019, for targeted-destination transport services, and 2) a new five-year Agreement, from January 1, 2020 through December 31, 2024, for targeted-destination transport services.
2. Transmit this Agreement to the Mayor for approval in accordance with Executive Directive No. 3.

### **FISCAL IMPACT**

There is no impact to the City's General Fund.

Funds received from the targeted-destination program will be deposited into Department 38, Fund 335, Account 38900G Targeted-Destination Ambulance Services Revenue Trust Fund.

Board report prepared by Marc Eckstein, M.D., MPH, Medical Director, Emergency Medical Services Bureau and Muriel Gee, Senior Management Analyst II, Administrative Services Bureau.

Attachments

**FIRST SUPPLEMENTAL AGREEMENT  
BETWEEN  
THE CITY OF LOS ANGELES  
AND  
KAISER FOUNDATION HEALTH PLAN, INC.  
FOR PROVISION OF TARGETED-DESTINATION AMBULANCE SERVICES**

**CITY OF LOS ANGELES CONTRACT NO. C-125638  
KAISER PERMANENTE AGREEMENT NO. PS-14007**

**THIS FIRST SUPPLEMENTAL AGREEMENT** to Agreement No. C-125638 (hereinafter referred to as “Agreement”) is made and entered into by and between the City of Los Angeles, a municipal corporation (hereinafter referred to as “City”), acting by and through the Los Angeles Fire Department, (hereinafter referred to as “Department” or “LAFD”) and Kaiser Foundation Health Plan, Inc., a California non-profit public benefit corporation (hereinafter referred to as “Kaiser”), with reference to the following:

**WHEREAS**, Kaiser and its affiliated health plans (collectively hereinafter referred to as “KP”) operate and administer health care benefit plans and provide or arrange for the provision of medically necessary health care services to persons who are entitled, at the time services are rendered, to receive services pursuant to the health care benefit plans (collectively hereinafter referred to as “Members”); and

**WHEREAS**, the Department constantly seeks to provide the highest quality service to the citizens of Los Angeles; and

**WHEREAS**, the Department’s current protocol requires that patients transported in response to “9-1-1” telephone calls be taken to the nearest or most accessible and appropriate emergency department; and

**WHEREAS**, this protocol from time to time allows patients who are Members to be re-transported to a KP facility; and

**WHEREAS**, Kaiser and the Department agree that patients who are Members, and who are not in extremis or otherwise unstable, would benefit from being transported directly to a KP facility rather than to the nearest hospital emergency department and then to a KP facility; and

**WHEREAS**, Section 22.210.2(c) of the Los Angeles Administrative Code authorizes the Fire Chief to set rates for providing ambulance transport services to members of prepaid health plans for the purpose of providing patient transportation directly to a designated hospital; and

**WHEREAS**, Section 22.210.2(e) of the Los Angeles Administrative Code authorizes the Fire Chief to set rates on an annual basis for providing ambulance transport services,

including ambulance transport services to members of prepaid health plans for the purpose of providing patient transportation directly to their designated hospitals; and

**WHEREAS**, on May 14, 2015, the parties entered into Agreement No. C-125638, from September 1, 2014 through August 31, 2019, which sets forth the terms and conditions pursuant to which Kaiser would compensate the LAFD for targeted destination transport services at a specified rate, and which compensation shall be separate from and in addition to any other applicable ground medical transport charges payable to the LAFD; and

**WHEREAS**, the LAFD shall deposit the compensation received under this Agreement into a separate special fund (known as the "Targeted-Destination Ambulance Services Revenue Trust Fund") used to enhance the LAFD's abilities to provide emergency medical services for all patients the LAFD treats and transports to all area hospitals and emergency departments; and

**WHEREAS**, the parties are currently negotiating a new agreement for the provision of targeted destination transport services to be effective January 1, 2020; and

**WHEREAS**, the parties desire in this First Supplemental Agreement to extend the term of Agreement No. C-125638, from September 1, 2014 through December 31, 2019, in order to cover the time period between August 31, 2019 and January 1, 2020.

**NOW, THEREFORE**, in consideration of the above promises, representations, covenants and agreements herein contained, the parties agree as follows:

## **1. TERM OF THE AGREEMENT**

Section 11, Term of Agreement, is hereby amended to read as follows:

The term of this Agreement shall commence effective as of September 1, 2014, and shall terminate on December 31, 2019, unless terminated earlier as provided herein.

Except as amended by this First Supplemental Agreement, all other provisions of Agreement No. C-125638 shall remain in full force and effect.

[Signature Page to Follow]

**IN WITNESS WHEREOF**, the parties hereto have caused this instrument to be executed by their respective duly authorized representatives.

**For: CITY OF LOS ANGELES**

DATE: \_\_\_\_\_

By: \_\_\_\_\_

RALPH M. TERRAZAS  
Fire Chief  
Los Angeles Fire Department

**For: KAISER FOUNDATION HEALTH PLAN, INC.**

DATE: \_\_\_\_\_

By: \_\_\_\_\_

NIRAV R. SHAH, MD, MPH  
Clinical Operating Officer for  
Clinical Operations  
Kaiser Foundation Health Plan/Hospital  
Southern California Region

**APPROVED AS TO FORM:**

**ATTESTED:**

MICHAEL N. FEUER  
City Attorney

HOLLY L. WOLCOTT  
City Clerk

By: \_\_\_\_\_

Samuel W. Petty  
Deputy City Attorney

By: \_\_\_\_\_

Deputy City Clerk

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

Agreement Number: C-125638-S1

**AGREEMENT BETWEEN THE CITY OF LOS ANGELES  
AND  
KAISER FOUNDATION HEALTH PLAN, INC.  
FOR PROVISION OF TARGETED-DESTINATION AMBULANCE SERVICES**

**CITY OF LOS ANGELES CONTRACT NO. \_\_\_\_\_  
KAISER PERMANENTE AGREEMENT NO. \_\_\_\_**

This Agreement (hereinafter referred to as "Agreement") is made and entered into by and between the City of Los Angeles, a municipal corporation (hereinafter referred to as "City"), acting by and through the Los Angeles Fire Department, (hereinafter referred to as the "LAFD") and Kaiser Foundation Health Plan, Inc., a California non-profit public benefit corporation (hereinafter referred to as "Kaiser"), with reference to the following:

**WHEREAS**, Kaiser and its affiliated health plans (collectively hereinafter referred to as "KP") operate and administer health care benefit plans and provide or arrange for the provision of medically necessary health care services to persons who are entitled, at the time services are rendered, to receive services pursuant to the health care benefit plans (collectively hereinafter referred to as "Members"); and

**WHEREAS**, the LAFD constantly seeks to provide the highest quality service to the citizens of Los Angeles; and

**WHEREAS**, the LAFD's current protocol requires that patients transported in response to "9-1-1" telephone calls be taken to the nearest or most accessible and appropriate emergency department; and

**WHEREAS**, this protocol from time to time allows patients who are Members to be re-transported to a KP facility; and

**WHEREAS**, Kaiser and the LAFD agree that patients who are Members, and who are not in extremis or otherwise unstable, would benefit from being transported directly to a KP facility rather than to the nearest hospital emergency department and then to a KP facility; and

**WHEREAS**, Section 22.210.2(c) of the Los Angeles Administrative Code authorizes the Fire Chief to set rates for providing ambulance transport services to members of prepaid health plans for the purpose of providing patient transportation directly to a designated hospital; and

**WHEREAS**, Section 22.210.2(e) of the Los Angeles Administrative Code authorizes the Fire Chief to set rates on an annual basis for providing ambulance transport services, including ambulance transport services to members of prepaid health plans for the purpose of providing patient transportation directly to their designated hospitals; and

**WHEREAS**, this Agreement sets forth the terms and conditions pursuant to which Kaiser will compensate the LAFD for targeted destination transport services at the specified rate, which compensation shall be separate from and in addition to any other applicable ground medical transport charges payable to the LAFD; and

**WHEREAS**, the LAFD shall deposit the compensation received under this Agreement into a separate special fund (known as the "Targeted-Destination Ambulance Services Revenue Trust Fund") used to enhance the LAFD's abilities to provide emergency medical services for all patients the LAFD treats and transports to all area hospitals and emergency departments; and

**WHEREAS**, the parties hereto desire to continue ambulance transport services for eligible Members directly to a KP facility without a lapse in service.

**NOW, THEREFORE**, in consideration of the above premises, and the mutual covenants and agreements herein contained, the parties agree as follows:

## **1.0 PARTIES TO THE AGREEMENT AND REPRESENTATIVES**

### **1.1 Parties to the Agreement**

1.1.1 The City of Los Angeles, a municipal corporation, acting by and through the Los Angeles Fire Department, having its principal office at 200 North Main Street, 18<sup>th</sup> Floor, Los Angeles, California, 90012.

1.1.2 Kaiser Foundation Health Plan, Inc., a California non-profit public benefit corporation, having its principal address at 1800 Harrison St, 18<sup>th</sup> Floor, Oakland, California, 94612. Attn: Executive Director of Buy to Pay, Sourcing.

### **1.2 Representatives of the Parties and Service of Notices**

1.2.1 The City's representative is, unless otherwise stated in the Agreement:

Ralph M. Terrazas, Fire Chief  
Los Angeles Fire Department  
200 North Main Street, 18<sup>th</sup> Floor  
Los Angeles, California, 90012  
(213) 978-3800

With copies to:

Marc Eckstein, M.D., Chief Physician and Medical Director

Emergency Medical Services Bureau  
200 North Main Street, Room 1860  
Los Angeles, California, 90012  
(213) 978-3885

- 1.2.2 Kaiser's representative is, unless otherwise stated in the Agreement:

Tamica Lewis, Managing Director  
Medical Transportation Continuing Care Administration  
Kaiser Permanente Health Foundation, Inc.  
12254 Bellflower Boulevard  
Downey, CA 90242  
(626) 405-5963

- 1.3 Formal notices, demands and communications to be given hereunder by either party must be made in writing and may be effected by personal delivery or by registered or certified mail, postage prepaid, return receipt requested and shall be deemed communicated as of the date of mailing.
- 1.4 If the name of the person designated to receive the notices, demands or communications or the address of such person is changed, written notice must be provided as described in this Agreement, within five (5) working days of said change.

## **2.0 TERM OF AGREEMENT**

The term of this Agreement will be effective as of January 1, 2020 and will terminate on December 31, 2024, for five (5) years, unless otherwise terminated earlier as provided in this Agreement.

## **3.0 RATIFICATION**

Due to the need for LAFD's "9-1-1" services to be provided continuously on an ongoing basis, the LAFD may have provided services prior to the execution of this Agreement. The parties agree that any services provided by the LAFD during the term of the Agreement, but prior to its execution, shall be subject to the terms and conditions of this Agreement.

## **4.0 SERVICES PROVIDED BY THE LAFD**

- 4.1 Subject to the eligibility criteria specified below, the LAFD shall use best efforts to transport eligible Members to a KP facility or an organization affiliated with KP in lieu of transporting such Members to the nearest hospital emergency department.



- 4.2 Whether a Member is eligible to be transported as provided herein will be determined by the following factors:
- 4.2.1 Consent of the Member;
  - 4.2.2 Evidence that the Member is a member of KP;
  - 4.2.3 A determination that the Member is not in extremis or otherwise in an unstable condition, which determination shall be made by the LAFD;
  - 4.2.4 The number of requests for the LAFD's emergency services at the time transport is requested; and
- 4.3 At all times, the decision to transport a Member to a KP facility, rather than to the nearest or most accessible facility, will be at the sole discretion of the LAFD and in accordance with any of its applicable policies.

## **5.0 KAISER'S FINANCIAL OBLIGATION/COMPENSATION TO THE CITY**

- 5.1 Subject to the terms of this Agreement, and separate from and in addition to any treatment and transport fees that may be payable to the LAFD for its provision of ground medical transportation, Kaiser shall pay the LAFD a flat program fee of \$168.00 (the "Program Fee"), established on January 1, 2020, for each Member transported three (3) or more miles to a KP facility when the closest or otherwise intended hospital emergency department is other than a KP facility.
- 5.2 The Program Fee will be subject to an annual rate adjustment effective on January 1st of every year during the term of this Agreement. The annual rate adjustment shall be the percent difference in the Fire Fighter III position salary (code 2112-3) in the City's Proposed Budget Detail of Department Programs (Blue Book). The annual rate adjustment shall not exceed a maximum of five percent (5%) annually. The Program Fee shall be rounded up to the nearest dollar.
- 5.3 Effective January 1, 2021, the Program Fee shall be the percent difference between the Fire Fighter III position salary (code 2112-3) in fiscal year 2019-20 and fiscal year 2020-21.
- 5.4 Effective January 1, 2022, the Program Fee shall be the percent difference in the Fire Fighter III position salary (code 2112-3) in fiscal year 2020-21 and fiscal year 2021-22.
- 5.5 Effective January 1, 2023, the Program Fee shall be the percent difference in the Fire Fighter III position salary (code 2112-3) in fiscal year 2021-22 and fiscal year 2022-23.

- 5.6 Effective January 1, 2024, the Program Fee shall be the percent difference in the Fire Fighter III position salary (code 2112-3) in fiscal year 2022-23 and fiscal year 2023-24.
- 5.7 Payment of the Program Fee shall not be required for those instances where a KP facility is the closest facility to the incident location.
- 5.8 The LAFD shall submit invoicing data electronically each month to Kaiser. The invoice will provide an itemization, listing each Kaiser Member's name, their membership number, the incident address, the targeted KP facility, the mileage, the date of service, and the diagnosis code.
- 5.9 Kaiser agrees to make payment to the LAFD within forty-five (45) business days of receipt of an invoice.
- 5.10 An invoice is deemed delinquent if payment is not received from Kaiser within forty-five (45) business days of the invoice date. The LAFD shall issue a notice of delinquency on the first date of invoice delinquency.
- 5.11 If payment is received from Kaiser within ten (10) days from the date of invoice delinquency, no late payment interest shall be charged to Kaiser.
- 5.12 If payment is not received from Kaiser within ten (10) days from the date of invoice delinquency, the LAFD shall charge late payment interest at the rate of eighteen (18) percent per annum, compounded daily (based upon a 365/66-day year) calculated from the date of invoice delinquency.

## **6.0 USE OF FUNDS**

The LAFD will utilize funds received from Kaiser to enhance the LAFD's emergency medical services program for the community.

## **7.0 PERFORMANCE DATA**

The LAFD agrees to provide performance data related to the Members transported under this Agreement to Kaiser by the 15<sup>th</sup> of the month following the conclusion of each quarter, and provide subject matter experts to review the performance data with Kaiser representatives. The LAFD recognizes the need for Kaiser to have performance data that provides Kaiser with information that allows for the proper evaluation of the targeted destination program and opportunities for both the LAFD and Kaiser to enhance the overall success. This data may be used by the LAFD and Kaiser to collaboratively develop practices and policies that improve Emergency Medical Services (EMS) patient care throughout the Los Angeles region. This performance data may not be used by either party to alter the conditions by which Members are transported to hospital facilities as outlined in Section 4.0.

## **8.0 HIPAA COMPLIANCE**

The parties agree that, in the performance of its duties under this Agreement, LAFD and Kaiser are acting as covered entities as described in HIPAA and regulations promulgated hereunder by the U.S. Department of Health and Human Services ("HIPAA Regulations"). Each party, as a covered entity shall comply with its obligations with respect to the confidentiality, privacy and security of patients' medical information and shall take the required steps to preserve the confidentiality of this information, including the training of staff and the establishment of proper procedures for the release of such information, as required by HIPAA and the HIPAA Regulations and other applicable laws and regulations.

## **9.0 INDEMNIFICATION**

Each party shall indemnify and hold the other harmless from all loss or liability for injury or damage, actual or alleged, to person or property arising out of or resulting from the indemnifying party's acts or omissions in the performance of this Agreement.

In the event of third-party loss caused by the negligence, wrongful act or omission of more than one party, each party hereto shall bear financial responsibility in proportion to its percentage of fault as may be mutually agreed between them or judicially determined.

## **10.0 TERMINATION**

Either party may terminate the Agreement, with or without cause, during the term set forth above, upon sixty (60) days prior written notice to the other party.

## **11.0 MUNICIPAL LOBBYING ORDINANCE**

Contractor is required to comply with the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance if Contractor qualifies as a lobbying entity under Los Angeles Municipal Code Section 48.02. CEC Form 50 is attached to this Agreement as Exhibit A. Contractor must complete and submit CEC Form 50 to the LAFD. Failure to submit the form could subject the Contractor to penalties and/or result in termination of the Agreement.

## **12.0 ORDER OF PRECEDENCE**

This Agreement, and any exhibits, attachments or documents incorporated herein by inclusion or by reference, constitutes the complete and entire Agreement between the City and the Contractor. In the event of any

inconsistency between the body of this Agreement and the exhibits, the order of precedence will be as follows:

- 1) This Agreement between the City and Kaiser; and
- 2) Any other exhibit or attachment in the order in which they are attached.

### **13.0 ENTIRE AGREEMENT**

This Agreement contains the full and complete Agreement between the parties. No verbal agreement or conversation with any officer or employees of either party will affect or modify any of the terms and conditions of this Agreement.

### **14.0 COUNTERPARTS AND ELECTRONIC SIGNATURES**

This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by City) and sent by e-mail shall be deemed original signatures.

[Signature Page to Follow]

**IN WITNESS WHEREOF**, the parties hereto have caused this instrument to be executed by their respective duly authorized representatives.

**For: CITY OF LOS ANGELES**

DATE: \_\_\_\_\_

By: \_\_\_\_\_

RALPH M. TERRAZAS  
Fire Chief  
Los Angeles Fire Department

**For: KAISER FOUNDATION HEALTH PLAN, INC.**

DATE: \_\_\_\_\_

By: \_\_\_\_\_

NIRAV R. SHAH, MD, MPH  
Clinical Operating Officer for  
Clinical Operations  
Kaiser Foundation Health Plan/Hospital  
Southern California Region

**APPROVED AS TO FORM:**

**ATTESTED:**

MICHAEL N. FEUER  
City Attorney

HOLLY L. WOLCOTT  
City Clerk

By: \_\_\_\_\_

Samuel W. Petty  
Deputy City Attorney

By: \_\_\_\_\_

Deputy City Clerk

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

Agreement Number: \_\_\_\_\_