



May 14, 2020

Fire Chief Mark Schollmeyer  
Director, Brevard County Fire-Rescue  
1040 S. Florida Avenue  
Rockledge, FL 32955

Dear Chief Schollmeyer,

*Mark*

As you are aware, the initial term of our current franchise agreement will sunset on September 30, 2020 with a two-year extension available or the option to request a new agreement. We are required by the current agreement to give you a 90-day notice of our intentions. While we are a little bit early in making this request, considering the COVID-19 imbroglio we are all operating within and the published expectation of a potentially active hurricane season I felt that it was best to get our request before you for negotiation/acceptance and the Brevard County Commission for approval sooner than later. Accordingly, I am requesting a new five plus two-year (5+2) franchise agreement without any changes or modifications except for an updated rate sheet.

I know that you are very knowledgeable of our organization and its many years of uninterrupted service in support of the County and our healthcare providers and I trust that you have been as pleased with our operational performance as we are in serving the County and our constituents. Since 1988 we have held the exclusive franchise to deliver non-emergency Advanced and Basic Life Support Ambulance services under County (BCFR) oversight. I have personally lead Coastal for 20 years and in that time we have never been presented with a grievance regarding any element of our performance, to the contrary we have received numerous Commission Resolutions recognizing our achievements and status as a nationally accredited ambulance service. Our support of daily operations, hurricanes, and the current COVID-19 pandemic has always been rendered with the highest degree of professionalism and we have always been prepared to weather whatever storm comes our way. That level of professionalism will not waiver as we move from one contract term to the next.

To begin with, we recently received, accepted and signed the agreement modification language that you requested. Nothing in that request gave us any concern and the only thing that it really required us to do differently was begin to utilize E-verify for new employee verification. We will begin doing that immediately, thus we will be in full compliance with our current agreement so modified by the additional language. Additionally, we will not be requesting any increase in the Marchman/Baker Act subsidy from the allowance published in the current agreement.

Our current financial status remains very strong, and we have maintained a six-month (approximate, it varies up and down slightly throughout each year) cushion in reserve capital that will enable us to operate for an extended period of time without revenue, thus giving the County the comfort of knowing that financially we will remain fully capable of performing our services without interruption. Our performance relative to our franchise agreement response times is generally in excess of 97% on-time, well above the 90% on-time requirements mandated by the franchise agreement. Our response time statistics are shared with Chief Orlando Dominguez throughout the year as standard practice. We have been providing these services for a long time,

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we are ready and prepared for any disaster, and we will remain so if awarded the new agreement. In the past 20 years under my watch, Coastal has never failed to meet (and exceed) the performance requirements of the franchise agreement.

Organizationally, we remain unchanged from previous years. Coastal continues to receive its corporate oversight from the leadership of Brevard's two not-for-profit hospital systems, Health First and Parrish Medical Center. Our board of directors is comprised of hospital executives and community leaders nominated by the CEO's of HF and PMC. As you are likely aware, Wuesthoff Health Systems (now Steward) was always a member system and an equal part of our board of directors until they became part of a for-profit system in 2010. Our Articles of Incorporation and corporate By-laws do not allow for board membership except by other not-for-profit organizations, thus Wuesthoff Health Systems ceased being a member hospital system at the time that Wuesthoff transferred ownership.

The most important reason for our request for a new 5+2 agreement, rather than request the two-year extension is to reset our rates. As you are acutely aware, it has become very challenging to recruit, hire and retain new Paramedics and Emergency Medical Technicians. It seems like every healthcare provider, convention center and attraction like Disney and Universal now hires these professionals in lieu of nurses because they are in even tighter supply. Thus the cost to deliver our services is constantly increasing while a large percentage of our revenue is fixed (Medicare and Medicaid). Thus, we all need to maximize our revenue from insurance and all other non-federal or state funded revenue streams (Medicare/Medicaid).

I have attached a copy of our proposed rate increase for your consideration. We utilized a Florida Office of the Insurance Consumer Advocate presentation from February 2017 to establish our benchmark average rates for this renewal (see attached rate documentation). We obtained this report through our membership in the Florida Ambulance Association. We attempted to get an updated (to 2019) rate comparison but the cost for that report did not warrant obtaining it. This report provides the mean and median charges statewide that were documented in 2017. While we have endeavored to set our rates to the state averages for our most routinely used CMS AO-codes, we have set our rates for ALS and BLS (emergency) and ALS-2, (which we rarely are able to apply) to match your current BCFR rates so there will be no geographic area rate difference observed by CMS. Additionally, we will never ask for a rate that exceeds a BCFR rate for the same AO-code. One difference in this request from previous agreements is for the authorization to increase our rates up to but never in excess of the BCFR rates for mileage and oxygen if your rates change during the period of the agreement. All other base rates as presented on our requested rate sheet will remain in force throughout the term of the agreement.

I believe this summarizes the extent of our request and I am available to meet with you regarding this request at your convenience.

Sincerely,



William McCarthy  
President & CEO

cc: EMS Chief Orlando Dominguez  
Chris McAlpine, Coastal Board Chairman

Received

MAY 15 2020

Brevard County  
Fire Rescue

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