

Stephen M. Wontrobski
27132 Sombras
Mission Viejo, CA 92692

February 28, 2014


Ms. Tammi McConnell, Program Manager
Orange County Emergency Medical Services
405 W. Fifth Street, Suite 301A
Santa Ana, CA 92705

Ref: Public Comment on Ambulance Transport OCFA RFP Rebate Provision

Dear Ms. McConnell:

Attached you will find my February 27, 2014 letter to the OCFA Board of Directors regarding the Ambulance Transport RFP Rebate Provision. Can you please attach it to the minutes of today's EMCC meeting? It supports my recommendation to deny the OCFA's request to have a rebate provision included in the Health Care Agency's upcoming RFP for Ambulance Transport. This meeting minutes inclusion will allow the EMCC members and members of the public to view and comment on my request.

Sincerely,


Stephen M. Wontrobski

Stephen Wontrobski
27132 Sombras
Mission Viejo, CA 92692

February 27, 2014

Board of Directors Members
Orange County Fire Authority
1 Fire Authority Road
Irvine, CA 92602

Ref: RFP for Ambulance Transport
OCFA Reimbursement for BLS and ALS Costs

Dear Board of Director Members:

The OCFA has requested that the Board endorse its recommendation to include a provision for OCFA reimbursement for BLS and ALS costs in the Ambulance Transport RFP. Based on my own independent research, I maintain that OCFA's agenda support justification for this item appears to be both incomplete and misleading

The OCFA states:

"The reimbursements are a common practice among other Fire & Emergency providers in California, including Los Angeles County and many other counties."

My research has shown that the exact opposite exists in virtually all the other counties in California. To get to the truth of this matter, the Board should ask that the OCFA provide written documented answers to the following questions.

1. Who are the "many other counties"?
2. Name five to ten other counties, which are following this "common practice".
3. Isn't it true that on a state wide county basis, this practice is a small minority, rather than majority, county practice?
4. Exactly how many counties in the State provide this reimbursement provision in their contracts?

With regard to the asserted legality of including this reimbursement provision in the RFP, the OCFA asserts that these reimbursements:

"...are expressly allowed under Medicare and Medicaid (Medi-Cal in California) by Basic Life Support (BLS) providers, as long as a written billing agreement exists between the parties.)"

On this subject the Board should ask that the OCFA provide written documented answers to the following questions.

1. *Can you provide the written contract provision in the Los Angeles County ambulance contracts that provides for such reimbursement?*
2. *Is the Los Angeles County ambulance provider reimbursement provision actually in many cases, if not all, an unwritten agreement?*
3. *For what counties has the State EMSA legal counsel authorized the use of this reimbursement provision in a County contract?*
4. *Has our County Counsel authorized the use of such a rebate provision in a County contract and allowed the County to require companies to grant rebates?*
5. *Would it be legal for the County to include such a provision in its ambulance provider contracts?*

6. Has our County Board of Supervisors shown any interest to approve the inclusion of this provision in a County contract and allow the County to grant rebates?

With regard to the actual reimbursement amount given by Los Angeles County ambulance providers, the following questions need to be answered.

1. Are all of the Los Angeles County ambulance providers giving BLS and ALS reimbursements? How many are?
2. Are any Los Angeles County ambulance providers giving BLS reimbursements? How many are?
3. Is \$99.00 the ALS reimbursement rate that Los Angeles ambulance providers are paying? How does this compare to the OCFA ALS reimbursement rate?

With regard to the assertion of the rebate practice that was started in 1997, the following questions need to be answered in order to obtain a greater understanding and to give full transparency on this issue.

1. Was this rebate practice started as a compromise measure resulting from:
 - a) A work threat to the OCFA due to the Ambulance Association's efforts to obtain private paramedic certification in Orange County; and
 - b) The OCFA's efforts to eliminate the ambulance providers and have the OCFA handle the transport work?
2. Aren't the OCFA and most other county fire departments fully compensated for BLS/ALS supplies through their share of the established property tax revenues from the County and member cities?
3. When compared to all the other counties who do not provide this added BLS/ALS rebate reimbursement, isn't this double counting for Orange County taxpayers?

In the backup material to this agenda item, the OCFA now states that the real issue in this matter is a potential loss of \$4,500,000 in BLS/ALS rebates. This is exactly what I had previously disclosed to the State EMSA Director. The OCFA states that this loss of \$4.5 million "cost recovery source would cause a substantial and unexpected negative impact on OCFA's financial health, and would push the OCFA's budget into deficit position."

From a big picture point of review, the real reason for OCFA's financial health is not a \$4.5 million BLS/ALS cost recovery issue. Rather, it is hundreds of millions of dollars of unfunded liabilities and very high wage and salary benefits for firefighters and OCFA administrative staff. I once again draw your attention to my attached November 21, 2013 letter that supports this assertion.

Isn't it time we started to seriously address these issues, rather than kick them down the road by allowing this proposed BLS/ALS rebate reimbursement. Over 90% of the BLS/ALS rebate reimbursement will go to high wage and benefit reimbursement of the OCFA.

In summary, all of the above BLS/ALS reimbursement questions must be answered prior to any decision to go forward with this staff recommendation. I thank you for your consideration of this matter.

Sincerely,



Stephen M. Wontrobski

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Cc: OC Board of Supervisors
State EMSA Director

Stephen Wontrobski
27132 Sombras
Mission Viejo, CA 92692

January 14, 2014

Board of Directors Members
Orange County Fire Authority
1 Fire Authority Road
Irvine, CA 92602

Ref: OCFA Board of Directors
Wage Survey

Dear Board of Director Members:

In the OCFA Board of Directors December meeting, discussion took place regarding my attached November 21, 2013 letter regarding "OCFA Top Ten Wage Earners". The letter showed that actual total wage cost in accordance with the Orange County Grand Jury format for the Top 10 Firefighter Wage Earners was remarkably different from what the OCFA reported to the Board as its wage cost for these same individuals. The OCFA figures did not include the cost of pension benefits and paid medical insurance premiums.

My study showed for these individuals:

1. Total wage cost on average was higher by more than \$88,000 than that reported to the Board of Directors.
2. Yearly pension cost for retirement benefits ranged from a low of \$62,311 to a high of \$79,345.
3. Total wage cost ranged from a low of \$306,661 to a high of \$358,771.

These firefighter wage costs are alarming.

One Board member questioned how he could justify these salary costs, if questioned by the public. The OCFA could not provide such an answer. The OCFA did state it was taking steps to control who was receiving overtime. However, the OCFA did not supply a complete and forthright answer to this overtime issue.

The Board member, who raised the wage cost question, is a new Board member. He did not have the privilege of attending the two last years of OCFA Board of Directors meetings. I did attend those Board meetings.

Almost the exact same question was raised in one of those prior year Board meetings, addressing high wage costs and overtime. Remarkably, the OCFA responded to another Board member with almost the exact same answer given this past year to this Board member. The Board should verify the prior year's response. Questions now remain.

1. If action was taken last year, why does the problem still exist this year?
2. Will this same issue come up again later this year when annual wage cost information is presented to still another new Board?

The Orange County Register published a January 5, 2014 article regarding high special districts' wage costs. A large section of the article addressed high OCFA wage and benefit costs. The OCFA tried to justify the high cost by stating,

"The job of our firefighters is to put themselves in harm's way and risk their lives. The nature of the job is such that they are compensated commensurate with the risk. In that way, we're a little bit different from the other districts".

On its face this response seems to have a certain appeal to the public. However, the problem with this answer is that it lacks support in reality.

1. The OCFA wage costs are completely out of line when compared to private firefighting and emergency medical services paramedic company employees, who also "put themselves in harm's way and risk their lives".
2. The OCFA Board of Directors also knows the answer is not accurate. Various Board members have personally talked to qualified prospective firefighters, who attest they would work at considerably lower pay and benefits just to be able to work in their dream OCFA firefighting job.
3. My own informal survey of well qualified OCFA candidates has shown me that they would gladly work at their dream job for a yearly wage of \$75,000 with an additional amount for paid medical insurance. They would also be very satisfied in receiving a fraction of the pension benefit amount that is currently being paid to OCFA firefighters.
4. The OCFA has declined to conduct a wage and benefit survey requested by an OCFA Board member. The actual written reasons for declining to do such a survey were so specious, that the OCFA response did further damage to the credibility of the OCFA on this issue. The actual survey would simply show Board members how much can be saved, for instance, in a two tier wage and benefit system for new employees.

Your chief union contract negotiator, Peter Brown, is owed such survey information to assist him in his contract negotiations. Just ask yourself the following question. "If I was the chief negotiator for the OCFA in the upcoming union negotiations, would the survey information assist me in those negotiations?" As a former contract negotiator myself, my answer would be a resounding, "Yes".

The Board has a responsibility to the public to provide Mr. Brown with wage survey information. Please provide him with that information.

I thank you for your consideration of this matter.

Sincerely,



Stephen M. Wontrobski

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Cc: Peter Brown (Liebert, Cassidy, Whitmore)

Stephen M. Wontrobski
27132 Sombras
Mission Viejo, CA 92692

November 21, 2013

Board of Directors Members
Orange County Fire Authority
1 Fire Authority Road
Irvine, CA 92602

Ref: OCFA Top 10 Wage Earners

Dear Board of Directors Members:

I previously reported to you in my November 6, 2013 letter that the FY 2012/13 Backfill/Overtime and Total Earnings/Compensation Analysis is misleading. It does not provide true total firefighter wage cost information.

This type of misleading salary cost information was previously criticized by the Orange County Grand Jury, since it did not provide total wage cost information for firefighters. The OCFA complied last year with the Grand Jury recommendation and included total cost wage compensation on its website. However, this presentation to the Board completely ignores the Grand Jury reporting method. Hence, in the eyes of the Grand Jury and public, it is misleading.

The following table will show how misleading the report is. For example purposes, I take the chart entitled "Top 10 2012 Firefighter Earnings Analysis". I compare what has been reported to you versus the same information reported under the Grand Jury total cost format found on the OCFA web site.

<u>Position</u>	<u>Reported Wage Cost</u>	<u>Pension</u>	<u>Medical</u>	<u>Total Wage Cost</u>
Fire Captain #1	\$273,261	\$69,382	\$16,128	\$358,771
Fire Captain #2	\$244,210	\$71,319	\$16,128	\$331,657
Fire Captain #3	\$236,758	\$77,399	\$16,128	\$330,285
Fire Captain #4	\$231,306	\$77,727	\$16,128	\$325,162
Fire Captain #5	\$230,304	\$62,311	\$16,128	\$308,743
Fire Captain #6	\$226,241	Not Avail.	Not Avail.	Not Avail.
Fire Captain #7	\$224,956	\$65,846	\$16,128	\$306,930
Fire Captain #8	\$223,984	\$77,894	\$16,128	\$318,006
Fire Captain #9	\$220,599	\$69,934	\$16,128	\$306,661
Fire Captain #10	\$219,763	\$79,345	\$16,128	\$315,236

The information reported to you and the public is very misleading. Take Fire Captain #1 as an example. Reported wage cost to you is \$273,261. However, the actual total wage cost is over \$85,000 higher at \$358,771. The report grossly misrepresents the actual wage cost. The OCFA needs to correct the report.

I reported to the OCFA in the November 6, 2013 Budget & Finance Committee meeting that the report was misleading and needed to be corrected. The OCFA has agreed with me that the report is misleading. However, it stated it would wait until next year's report to make the needed correction on the presentation format.

The OCFA cannot wait until next year to make the needed corrections. It needs to immediately correct the report, since union negotiations start in January. This is vital information that is currently needed by the Board before the start of union negotiations. Hence, I recommend that the Board direct the OCFA to revise the report, and incorporate all needed changes to bring any affected presentation charts or statements into compliance with the Grand Jury format.

What is very troublesome is that a member of the public is needed to correct the OCFA's own report in order to stop the continued dissemination of misleading information to the Board and the public. This is an OCFA responsibility and not that of a member of the public.

Sincerely,



Stephen M. Wontrobski

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