



MULTNOMAH COUNTY OREGON

BOARD OF COUNTY COMMISSIONERS
ROOM 605, COUNTY COURTHOUSE
1021 S.W. FOURTH AVENUE
PORTLAND, OREGON 97204

GLADYS McCOY •	Chair •	248-3308
PAULINE ANDERSON •	District 1 •	248-5220
GRETCHEN KAFOURY •	District 2 •	248-5219
RICK BAUMAN •	District 3 •	248-5217
POLLY CASTERLINE •	District 4 •	248-5213
JANE MCGARVIN •	Clerk •	248-3277

EXECUTIVE SESSION

February 23, 1989

Present: Commissioner Gladys McCoy, Chair; Commissioner Rick Bauman; Commissioner Gretchen Kafoury. Excused: Commissioner Pauline Anderson.

Litigation - Emergency Medical Services

Laurence Kressel, County Counsel, reported that AA Ambulance Co. had made a proposal to drop all litigation against the County providing

- 1) The County halt all EMS litigation.
- 2) County would put out RFP for Two ASA Districts.
- 3) If AA Ambulance Company was one of the successful bidders, all litigation would be dropped, and AA Ambulance would provide the service for the District. If not, the County would purchase all AA Ambulance assets at the fair market value, and the County could recoup its costs from user surcharges. Mr. Kressel advised, that if the Board accepted the proposal, like proposals could be expected from Buck Medical Company, and CARE Ambulance Companies.

Following discussion, it was decided that the Board would not accept the proposal.

Status of Health Care Plan

Laurence Kressel, County Counsel, explained that this is now considered a "contested case" of litigation. The Hearings Officer hired for a review of the Plan stated that he could not review the Plan because the criteria is "too vague". This report is now in the hands of the State Health Division who must decide what happens next. County hands are tied until that decision is made.

Barbara E. Jones
Assistant Clerk of the Board
2/23/89

SUPPLEMENTAL AGENDA

THURSDAY, FEBRUARY 23, 1988

9:00 a.m.

✓ EXECUTIVE SESSION - for the purpose of reviewing Emergency Medical Services Litigation allowed under ORS 192.660(1)(h)

Regular Session -

Ratification of action taken at special meeting held Tuesday, February 21

c. Fairness. A third reason for settling the pending cases is simple fairness. AA Ambulance has been diligently servicing Multnomah County for years. Now, even though AA's service is high quality, the County is threatening to put it out of business because the Commissioners want to reorganize ambulance service. (At least one of the three present Multnomah County providers will be put out of business in the County. Since nearly all of AA's service is in Multnomah County, it cannot survive if it is not allowed to operate in Multnomah County. It is not economically feasible for AA to conduct non-emergency service in Multnomah County unless it also can provide emergency service.) It is only fair that AA be compensated for the value of the business that the County proposes to destroy. The question is how to structure compensation in a way that is not unduly burdensome to the County.

d. Possibility of County Loss. There also is a reasonable possibility that the county will lose one of the pending lawsuits. This would prevent the County from doing what it wants to do or, in relation to the inverse condemnation claim, would require the County to make a substantial lump sum payment to the "losing" bidder as compensation for the value of its business. In other words, the County could end up several years down the road, having spent a great deal of time and money, with nothing to show for it or with the ability to reorganize subject to an obligation to make a substantial lump sum payment.

2. OUTLINE FOR SETTLEMENT

The settlement concept I asked you to consider is as follows:

a. A stipulated decree would be entered in the pending lawsuits that in effect would terminate them, without prejudice to either party's legal positions, but allowing AA to revitalize the lawsuits if the County defaulted in performance of the Settlement agreement.

b. The County would move forward with the ASA bid process without delay.

c. If AA Ambulance won a service area, then the carrying out of the settlement agreement would be complete.

d. If AA did not win a service area, the County would buy AA's entire business at its fair market going concern value. This would include all physical assets, accounts receivable, and so on. In order not to unduly burden the County, payment for the business (acquisition price plus interest) would be spread out over a substantial period of time. The time period would be long

enough to allow the County to recover the purchase payments through a reasonable but small surcharge against County emergency ambulance bills (for example, in the \$5 to \$15 per transport range).

This settlement would give the County what it wants and at least would protect AA from being harmed by the County's action. The county would get its reorganized ambulance service. AA would have either a service area or compensation for its destroyed business. The cost to the County, if AA does not get a service area, would be a relatively small surcharge on ambulance users. Both the County and AA could get on with the provision of ambulance service to Multnomah County.

Based on our discussion, I would appreciate it if you would present this proposal to the County Commissioners for their consideration. If they believe the settlement concept I have outlined is worthy of pursuit, then AA Ambulance is prepared to negotiate the details of a settlement agreement, including a determination of fair market value.

This letter is in the nature of settlement discussions regarding pending litigation and shall not be deemed an admission of any fact or issue by AA Ambulance.

Very truly yours,



Christopher P. Thomas

CPT:cr

cc: Pete Robedeau
Jeffrey M. Kilmer