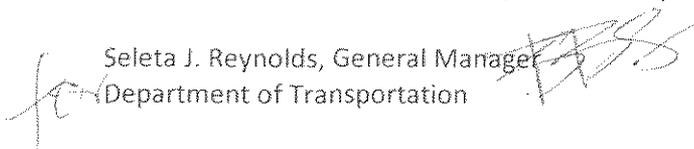


CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: January 10, 2018

TO: The Honorable City Council
c/o City Clerk, Room 395, City Hall
Attention: Honorable Mike Bonin, Chair, Transportation Committee

FROM:  Seleta J. Reynolds, General Manager
Department of Transportation

SUBJECT: **RECOMMENDATION FOR MEDICAL TRANSPORTATION REGULATION**
(Council File 14-0529-S1)

SUMMARY

This report is in response to Council instructions directing the Los Angeles Department of Transportation (LADOT) to review the existing permitting process for medical transportation in the City of Los Angeles, with an emphasis on streamlining and reducing redundancies between City and County permitting requirements while ensuring that public protection interests are maintained. The report includes a summary of recommended actions to be taken to ease the regulatory burden on the industry and also requests Council action to make changes to the LAMC to streamline processes.

RECOMMENDATIONS

1. **AUTHORIZE** LADOT to remove the fingerprint background check requirement for an applicant of a driver and attendant permit with a private ambulance company operating within the City of Los Angeles if the applicant already possesses a valid Emergency Medical Technician (EMT) Certificate issued by the Los Angeles County Emergency Medical Services (EMS) Agency.
2. **AUTHORIZE** LADOT to make all determinations regarding public convenience and necessity for the addition of new motor vehicles for hire to the streets of Los Angeles without the need for Transportation Commission approval, and
3. **REQUEST** the City Attorney to draft an amendment to section 71.12 of the Los Angeles Municipal Code (LAMC) to authorize LADOT to determine whether public convenience and necessity has been established to add more vehicles to a permitted company's existing fleet, without the need for Transportation Commission approval.

BACKGROUND

At the request of both the ambulance industry and Councilman Mitchell Englander in fall 2016, LADOT launched an effort to streamline the permitting process for medical transportation providers. LADOT conducted an internal review of its permitting processes and met with the EMS Agency to review and discuss the existing permitting systems of each agency with the intent of identifying opportunities to streamline permitting while also maintaining the public protection interest. LADOT also met with representatives from the ambulance industry and received feedback on specific issues that impact their business.

Overview of Current Regulatory Framework

Currently, there is dual regulation of the private ambulance industry by both L.A. County through the EMS Agency, and the City of Los Angeles through LADOT. L.A. County issues EMT Licenses to individuals under the California Health and Safety Code. L.A. County also issues permits to Ambulance companies for the operation of their business and issues vehicle permits. Regulations related to Ambulance service as permitted by L.A. County can be found in Los Angeles County Code of Ordinances Title 7 Business Licenses, section 7.16 which covers ambulances. LADOT does not issue EMT certificates, but it does review L.A. County EMT certification as a pre-requisite to obtaining a driver and attendant permit. This permit allows a person to drive and work for a private ambulance company operating in the City of Los Angeles. LADOT permits are issued under Sections 71.00, 71.03, 71.04 and 71.06.1(c) of the LAMC, Board Orders 598, 599 and 600.

Based upon the authority established in the LAMC and the Code of Ordinances, LADOT and L.A. County both permit and regulate ambulance service for the protection of the public. The table below details the approach taken by each agency with respect to regulating ambulances.

Issues Reviewed	LADOT	L.A. County	Notes
Criminal Background Check	Yes	Yes	LADOT conducts fingerprinting directly. L.A. County allows third party fingerprinting which is reviewed by the Sheriff's Dept.
DMV Background Check	Yes	No	
Vehicle Inspection	Yes (Primarily Mechanical)	Yes (Primarily Medical Equipment)	Both agencies inspect all vehicles upon initial entry. LADOT conducts annual inspection of all vehicles. L.A. County conducts regular audit inspection of some vehicles.
Medical Supply Review	Yes	Yes	
Insurance Review	Yes	Yes	
Review Right to Work Documents	Yes	No	
Rate Schedule	Yes	Yes	Each agency has different rates. LADOT is working to close the rate gap and use a similar methodology as L.A. County for setting rates.
Enforcement	Yes	Yes	LADOT Investigators are Limited Peace Officers with Powers of Arrest, and may cite criminally. L.A. County Investigators provide administrative citations/suspensions.
Parking Ticket Review	Yes	No	

Brief History of Regulation

The City of Los Angeles has regulated Medical Transportation companies and vehicles since at least 1971. Many rules found in the LAMC related to regulation of medical transportation services were promulgated during this period. These rules provided regulations for both private ambulance and non-ambulance/ambulette services. The difference between the two services is both the level of training required of the drivers and the vehicles/equipment. Ambulances contain sirens, are prepared for emergencies, contain life-saving equipment and are occupied by drivers and attendants that are certified EMTs. Non-Ambulance/Ambulette service vehicles are not prepared for emergencies but

oftentimes can transport an immobile passenger either in a wheelchair or gurney bed from one destination to another. Furthermore, there is no requirement that a non-ambulance/ambulette driver also be an EMT.

The following is a breakdown of Medical Transportation Vehicles and Drivers authorized to operate in the City of Los Angeles.

	Private Ambulance	Non-Ambulance/Ambulette
Number of Companies	38	72
Number of Drivers	3,253	669
Number of Active Vehicles in Operation	629	393
Total Number of Authorized Vehicles (Including Active Vehicles)	1,080	649

Since 2011, there has been regulatory overlap between the two agencies over the same entities, with this overlap being most pronounced in the private ambulance industry. Although there were some L.A. County rules in existence relating to business licensure for private ambulance and ambulette trips outside of the City of Los Angeles, it was not until 2011 that L.A. County began robustly regulating Medical Transportation and requiring that all private ambulance operators be licensed by L.A. County in order to operate within L.A. County.

It should be noted that while many ambulance companies have businesses located outside of the city boundaries, most of the available work (sometimes as much as 90 percent of a company's business) is located within the boundaries of the City of Los Angeles.

Under the best circumstances, both agencies are able to share information on companies and their activities and are able to pool resources to effectively regulate a City and County that is larger in population and size than some states.

Discussion

In discussion with LADOT staff, the ambulance industry highlighted three main issues:

- Time to obtain a driver and attendant permit from the City of Los Angeles
- Time for Transportation Commission approval to add vehicles to fleets
- Redundancy of LADOT inspections since vehicles are also inspected by California Highway Patrol and the EMS Agency

To address these concerns, LADOT analyzed the following areas:

- Company permitting
- New vehicle additions to existing companies
- Inspections
- Driver and attendant permitting with an emphasis on the fingerprint background requirement

Company Permitting

After meeting with L.A. County, it was determined that many of the company permitting procedures are identical in nature to those at LADOT. As a result, LADOT and L.A. County staff have begun sharing information with the goal that any company properly licensed by L.A. County can bring their licensure documents received from L.A. County directly to LADOT and be fast-tracked for approval.

New Vehicle Additions to Existing Companies

Currently, there is a public convenience and necessity requirement that exists in LAMC 71.12 that requires the Transportation Commission to approve adding any additional vehicles on the street and to any additions to a company's fleet. These additional vehicle requests are generally only denied if the company is not in good standing, or financially unable to sustain more vehicles. A company must be able to demonstrate liquidity of \$20,000 per ambulance vehicle that is being placed into service, and various other amounts depending on vehicle type. LADOT believes that it would simplify the process to allow companies to submit information directly to LADOT for approval, rather than using the current process of submitting to LADOT and later bringing the item before the Transportation Commission. This would require a change of LAMC 71.12 related to public convenience and necessity for adding additional ambulance vehicles. A change to this section would allow an approval of new vehicles to occur sooner, once LADOT has completed its review of the information submitted. The companies would no longer have to wait for a Transportation Commission meeting before expanding their business to meet the demands of their growing clientele.

Inspections

Inspections is an area where LADOT recommends maintaining redundancy. LADOT inspects vehicles often. On numerous occasions, owners of vehicles subject to inspection have claimed that the vehicles were already inspected and then their vehicle was found to be unacceptable via inspection. (Typically, standards are not met for safety issues such as bald tires, broken headlights/taillights, and excessive body damage.) Moreover, a vehicle can be inspected today, and receive major damage or run out of the proper equipment the following day, based solely on regular use. Therefore, LADOT believes the inspections by all parties should continue.

However, LADOT believes that there can be some revisions to the inspection requirements related to the medical equipment in the vehicles. LADOT will revise its processes to focus primarily on mechanical equipment as well as creating a checklist that mimics L.A. County inspection. This will allow all parties to ensure that items required for patient care by L.A. County are available in the vehicle.

Driver and Attendant Permitting

LADOT recommends that the current requirement for LADOT to perform a fingerprint background check for ambulance drivers and attendants be removed, and that LADOT rely instead on the valid EMT licenses obtained directly through the EMS agency. LADOT believes this is sufficient documentation of the criminal background check needed to obtain a driver or attendant permit.

Every ambulance driver or attendant is required to be an EMT, and every EMT is required to pass a

criminal fingerprint background check. The authority for driver and attendant permitting can be found in the LAMC sections 71.03, 71.04, and 71.06. These rules essentially require an individual to be properly licensed by LADOT before being allowed to operate or work in an ambulance on the streets of L.A. Board Order 600 furthermore outlines which DMV violations may prevent an applicant driver from obtaining a permit.

Fingerprint background checks have been effective because they not only reveal incidents of concern from the past, but the agency that conducted the background check will receive any future arrest information of the individual. (This is possible because when an applicant submits to a background check an Originating Agency Identification Number (ORI) is used to identify the entity that is to receive the results. The agency attached to a particular ORI number is also the agency that would receive any information related to subsequent arrests. This ability lasts until the agency requests a stoppage.) Based upon guidance from the FBI and the Department of Justice (DOJ), sharing information regarding an individual's criminal record with other parties is improper due to privacy concerns. There is an argument that the information, although private, should be shared amongst public agencies for the purpose of licensure, but at this time, it is not possible.

LADOT has an interest in public safety and often, cancels/revokes/suspends drivers upon arrest for a crime involving violence, sex offender issues, or driving under the influence (DUI). Relying on the EMT certificate to substitute for LADOT-generated fingerprint background checks would leave LADOT with no access to subsequent arrest notifications. LADOT will have to rely on notification from L.A. County that an EMT has been suspended, placed on probation, or revoked. However, L.A. County has similar standards for reviewing an applicant's criminal background history and its review is conducted by the L.A. County Sheriff's Office.

This change will not only speed up the process of permitting but also would reduce some costs to the applicant driver who currently must pay \$88.00 for the cost of redundant fingerprinting by LADOT.

CONCLUSION

LADOT has many recommendations regarding the medical transportation permitting process that should ease the burden on the industry such as:

- No longer requiring Transportation Commission approval for public convenience and necessity requirements
- Removing fingerprint background check requirements

LADOT will continue to work with the industry and L.A. County to try to further improve the regulatory and the permitting environment. These recommendations are significant initial steps in streamlining the regulations in order to improve the consistency across agencies and to improve the internal administrative efficiencies at LADOT.

FISCAL IMPACT STATEMENT

Of the \$88.00 fee paid by the applicant, LADOT retains only \$39.25 (45 percent) per payment because it must pay to obtain background check results from the DOJ. In fiscal year 2016-2017, LADOT fingerprinted 2,271 drivers and attendants for the 38 existing private ambulance companies. This

resulted in \$86,865.00 in fees collected. From July 1, 2017 through the end of December, LADOT fingerprinted 919 new drivers and attendants for private ambulance companies which netted revenue of \$35,151.00. While LADOT will generate less revenue related to these processes, this change will reduce staff time for permitting functions allowing staff to increase the speed of all permit processing including for other motor vehicle for hire drivers, such as taxicab drivers and other medical transportation drivers not affiliated with private ambulance companies.

