

# Agenda Item 14, Ambulance Rate Increase

David Zokaites

July 14, 2020

# The Situation

- City contract with Paramedics Logistics includes automatic raise, the greater of 3% or the Consumer Price Index (CPI)
- City picked 3% in request for proposal
- Compromise between CPI-medical and CPI-consumer
- Info from Alicia Collura

# Cost Comparison

- CPI (Consumer Price Index) 0.1%
- Market growth of 1.5%
- Contract rate increase 3%
- Medical CPI 5.9%
- Primary source Alicia Collura, Assistant Director of SF Public Health, she spoke last week

# Market Growth Reference

- Average industry growth 2014-2019 was 1.5%
- See "Ambulance Services in the US industry trends (2014-2019)"
- From <https://www.ibisworld.com/united-states/market-research-reports/ambulance-services-industry/>
- Full report available for \$925

# My Assessment

- 3% raise is better for users than 6%
- 3% is better for contractor than 0.1%
- City's selection of 3% was reasonable
- Market growth of 1.5% probably a better choice
- It would be nice to review that \$925 report