Sellout

Once again, Acadian Ambulance Service has pulled the plug on its 20-year domination of ambulance services in Lafourche. Regional E.M.S. had decided to cease operations in the Acadian Parish area.

Regional had offered the most serious challenge yet to Acadian's 20-year domination of ambulance services in Southern Louisiana. Regional was founded in 1969 by several ex-Acadian employees and was backed financially by a group of prominent New Iberia business people.

Regional had chipped away at Acadian's base for years, but nothing that Acadian had handled so far. The company obtained permits to operate in Iberia, St. Landry and Vermilion parishes and was considering a permit in St. Martin Parish.

But the company's quest to gain access to Lafourche Parish was the biggest threat to Acadian's business. Refused several times during the administration of former Mayor Dué Lautagre, Regional officials were convinced that Kenny Bower's election would change City Hall's attitude toward their permit request.

However, their application languished for months as the state Board of Ethics for Public Employees considered a challenge to several members of a city commission which signed off on ambulance permits. Ultimately, the ethics board ruled that the members of the commission had conflicts of interest and could not render an opinion on Regional's request to do business in Lafourche.

The state board's decision to the city's director of administration, Floyd Domingue, who by law has final say over ambulance permits. That shuffle would not only be the spur to serious negotiations between Regional and Acadian about a sale, but also close observers of the issue.

Domingue had said from the outset that he would give serious consideration to Regional's request. And there are indications from individuals familiar with the case that Domingue was ready to approve Regional's application immediately after the ethics board ruled, though publicly he was saying he hadn't seen the decision. Never had clear was the role Bowen would play in the decision. The law specifically names the director of administration as the granting authority. However, that individual served at the pleasure of the mayor, and Bowen would certainly have exercised some influence. It's doubtful that Bowen would have taken a position adverse to Acadian's interests, that would have put him at odds with The Daily Advertiser, which has a close relationship with Acadian and is also a strong political supporter of the mayor.

Regional president Henri Quereau says that there had been ongoing discussions between the two companies about a sale. "They approached us often," he says. But the negotiations intensified after the ethics board decision. "I think that was a deciding factor," he says. [In fact, The Times had received reports in early July that Regional was about to sell to Acadian. However, Quereau denied the story when questioned about it by the newspaper.]

Acadian spokesman Richard Zuschlag acknowledged that negotiations between his company and Regional had been taking place for months. However, he dismisses the link between the timing of the sale and the ethics ruling. "There is no relation between the ethics decision and how this came out. It was just a coincidence," he says.

He argues that Regional's decision to cease operations was in response to the recognition that further expansion was unlikely. "I do not feel they would have gotten the permit for Lafourche, and I think it would have been a close call in St. Martin," says Zuschlag.

Even though prospects in Lafayette were uncertain, Zuschlag perceived that Regional was still inclined to press for the permit. However, Acadian's offer to buy certain Regional assets helped nudge the company toward the decision to sell, he believes.

But the Lafayette situation was barely mentioned when Quereau and Acadian officials raised a press conference on July 17 to announce the sale. Instead, Quereau blamed changes in Medicare regulations for his decision to shut down Regional. He said a redetermination of what constitutes a "bed-ridden" patient would eliminate as much as 30 percent of the company's business.

Quereau says the company decided to cease operations immediately, rather than wait for the new reimbursement to bleed its treasury. "We just made a business decision to dispose of this company," he says.

Quereau is downplaying the money which the company earned on the sale and subsequent liquidation of its assets. He steadfastly refuses to disclose the price.

Regional paid for Acadian's name, subscriber list and patient information base. Zuschlag also declined to discuss the purchase price.

Regional officials are planning to sell the company's ambulances, real estate and buildings. They also hope to collect about $100,000 of the $1 million owed by the company to patients. After paying outstanding bills, refunding certain memberships and setting aside money for possible legal judgments against the company, Quereau hopes to net about $200,000.

"I'll be in the black. I don't know how well I'm going to do," he says.

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BY RICHARD BAUDOIN

WHO GOT WHAT FROM
THE DEAL BETWEEN
REGIONAL E.M.S. AND
ACADIAN AMBULANCE.

THE TIMES

ACADIAN AMBULANCE SERVICE

BOTH RICHARD ZUSCHLAG
OF ACADIAN (LEFT) AND
HENRI QUEREAU OF
REGIONAL E.M.S. (RIGHT)
NOW ACKNOWLEDGE THAT
DISCUSSIONS OF A SALE HAD
BEEN GOING ON FOR MONTHS.

July 28, 1993

BY RICHARD BAUDOIN
Querueau now plans to enter the insurance business, working at the New Iberia agency of Bill Quintan, his partner in Regional. And as she discusses the future of ambulance service in the region, she sounds at times as if she is being scripted by Acadian. Memberships, he now says, are necessary for survival as a result of changing federal regulations. But for years, Querueau had rallied against

AND AS QUEREEAU DISCUSSES
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Acadian's annual membership drive, which he thought created a climate of fear. He also expresses doubt that communities can support two services, though just a few months ago he was preaching the benefits of competition. Once again, he blames changing federal guidelines for the change in attitude. "The big guys are buying the little guys all over the country," he says.

Zuczcal says reimbursement revisions will have a negative impact on Acadian's revenues, but he hopes to offset the decline with an increase in emergency calls now that Regional is no longer operating in Iberia, St. Landry and Vermilion parishes. He says Acadian lost about $1 million a year as a result of the competi-
tion in those parishes. Only revenues from other markets allowed the company to absorb the losses there and remain in business. "Competition would have been the death of both companies," he says.

Acadian will be operating five additional units in the three parishes now that Regional has shut down. But that is 10 fewer than when both companies were making calls. "Yes, there will be fewer ambulances," Zuczcal says. "There will be better utilization of service." The four-year battle has not been a total loss for Acadian, Says Zuczcal, "We've had some valuable lessons learned."