Business Models, Payment, and Government Guidance

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Payment and Government Guidance

HEMS transport combines two complex activities:

- Helicopter operations 24/7
- Advanced life support care for patients by highly trained clinicians
HEMS Business Models

- Three variations:
  - Traditional hospital-based
  - Public service
  - Community-based

- 88% increase in EMS helicopters during the last 10 years

- Most of the increase associated with community based programs
Payment

- HEMS transport is very expensive
- Health insurance pays HEMS providers
  - CMS (Medicare)
  - Medicaid
  - Private health insurance
  - “Self-pay”
- Payment occurs only when patient is transported
  - Not all patients have insurance
- HEMS locations are market driven
Payment

- CMS (Medicare) payment rates developed in 2002
  - Fixed rate and mileage rate
    - *Stratified by urban or rural transport*
  - Private health insurers use different payment schedule

- Economically marginal operators often:
  - Minimize capital expenditures
  - Strive for higher patient transport volume
  - Supplement operation with funds from external sources
Payment

• Payment practices may serve as disincentive for safety enhancements

• Proposed recommendations to FAA will require HEMS operators to increase expenditures

• Staff is proposing recommendations
Government Guidance: HEMS Planning and Integration

- Ground-based EMS systems are usually planned and developed by local and regional government agencies
  - *Federal oversight or guidance is uncommon*

- HEMS helicopter use not always fully integrated into local or regional plans

- HEMS operators can enter and leave a market at will
EMS Helicopters: Missouri 1985

9 helicopters serving approximately 5 million population

Source: Patient First Alliance
EMS Helicopters: Missouri 2009

33 helicopters serving approximately 6 million population

Source: Patient First Alliance
Government Guidance: HEMS Use

• Patients often transported who are not ill enough to justify HEMS transport

• Many factors associated with “over-triage”
  – *Competition for billable transports*
  – *Transport inflation to increase billable flights*
  – *Poor transport decision-making protocols*

• No national guidelines for patient transport mode

• Increase of unnecessary transports increases patient and flight crew exposure to risk

• Staff is proposing recommendation