



NTSB National Transportation Safety Board

Offices of Research and Engineering and Aviation Safety

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

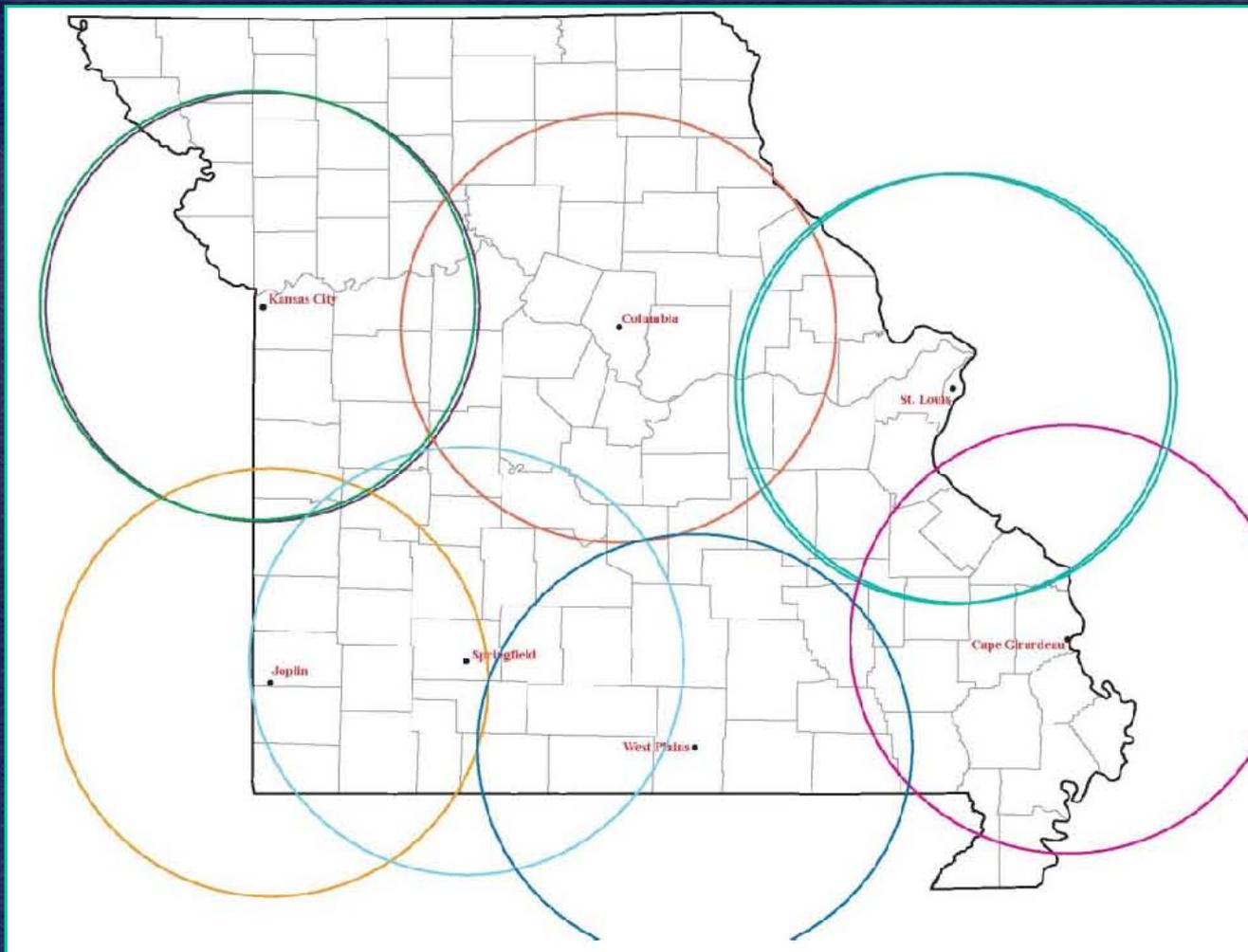
Payment

- 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

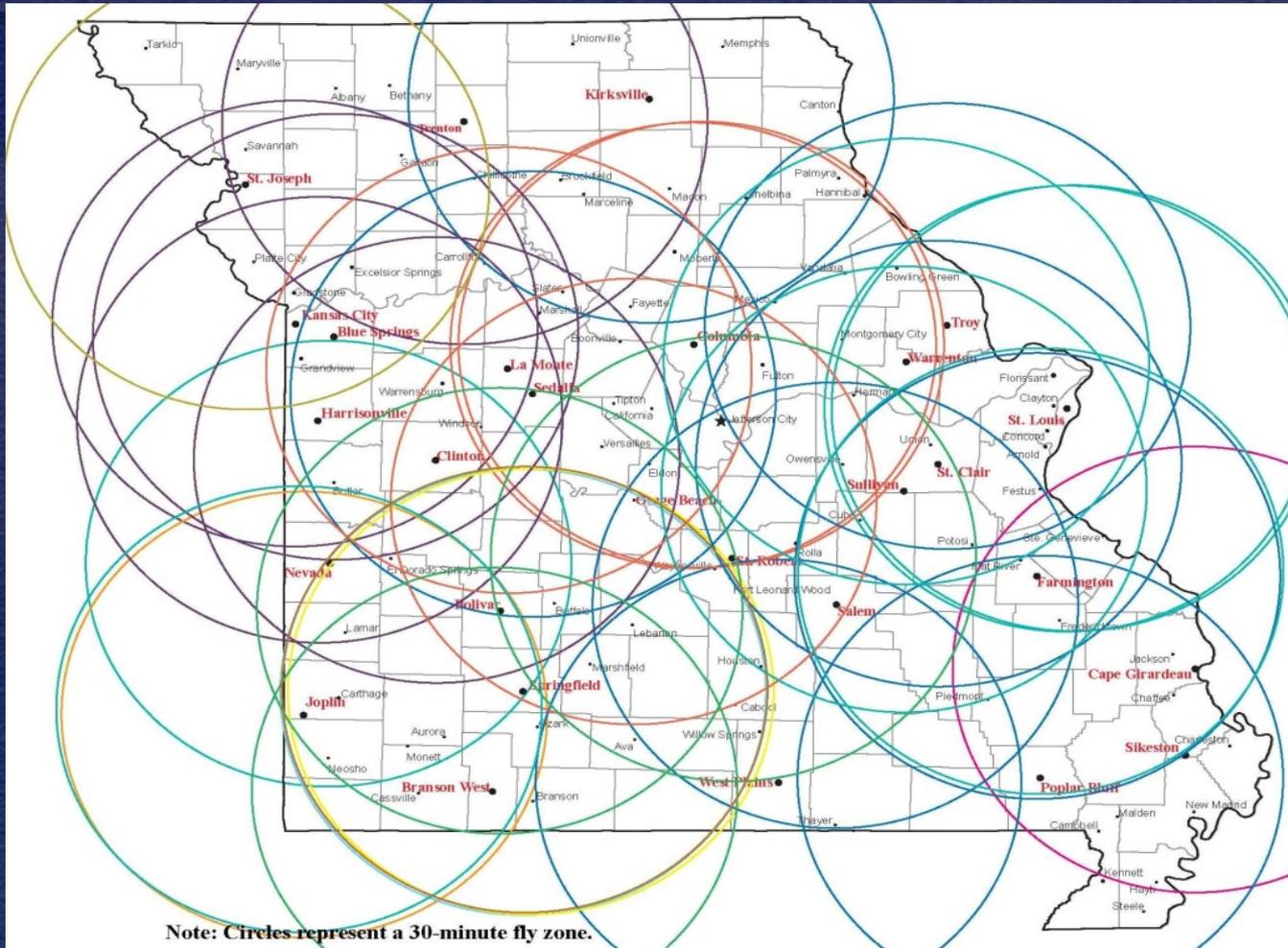
- Ground-based EMS systems are usually planned and developed by local and regional government agencies
 - *Federal oversight or guidance is uncommon*
- HEMS helicopter use not always fully integrated into local or regional plans
- HEMS operators can enter and leave a market at will

EMS Helicopters: Missouri 1985



9 helicopters serving
approximately 5 million population

EMS Helicopters: Missouri 2009



33 helicopters serving
approximately 6 million population

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



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