EMS2™

4 Things Every Ambulance Executive Needs To Know About Running A More Profitable Business.

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AVERAGE REIMBURSEMENTS

Understanding your revenue and cash flow analytics is key to segmenting your geographic footprint for optimized profitability. Since not all locations provide the best margins, understanding the payer mix and geo-economic impact will help you avoid lower margin areas and provide a plan for staging your fleet in areas that provide maximum profitability. While the majority of private ambulance companies pick up and drop off at hospitals, nursing homes, assisted living, dialysis centers, homes and doctors facilities, don't assume that just because you are in an affluent zip code that it will provide a good payer mix for maximum reimbursement. Only cash flow analytics can help you understand the true value of that location--which in turn helps you schedule your staff and assets around the city to be available those more profitable calls. As the analytics provide insight into the the most profitable reimbursement mix, you'll be able choose between taking basic life runs versus highly profitable advanced life runs.

2

PAYER MIX

With the Affordable Care Act, payer mixes are rapidly changing and ambulance companies must keep a watchful eye on areas that may have been profitable in the past but less profitable today. With the push by many states to move Medicaid patients into Managed Medicaid Programs, ambulance companies must choose a payer mix that provides a reasonable amount of profitability. Understanding the payer mix of the areas you operate in will help you make sound business decisions. Also marketing to those facilities that provide the best reimbursements and profitability can have a huge impact on your revenue. Providing those higher paying facilities with your operational metrics of ambulance availability, on time pick up/delivery and statistical analytics is key to building relationships and successfully marketing to those facilities. By understanding your payer mix you are also able to grow your business more intelligently by deciding where to add more units and staff for the best return on investment.

3

CLAIMS DENIAL

In today's managed-care environment, claims that used to be rapidly approved are now more likely to be denied. Due to pre-authorizations and the ability for Managed Medicaid Plan patients to change insurance frequently, ambulance companies now have huge amounts of data to track. That's why an ambulance company must use advanced revenue cycle management (RCM) tools to track and analyze all the desperate data. Without those tools, ambulance companies can miss a large amount of the revenue they are due. Look for RCM tools that track historical payers and secondary coverage eligibility. And don't just dismiss those denials. Find an RCM that has the ability to analyze denials, so you can improve your workflow and process. A good RCM system will provide insight into the intake procedure so you can get better eligibility information before the patient is picked up--so you know who to bill before the run begins.

4

UHU

Understand your unit hour utilized. It's a simple formula that divides the number of transports by unit hours. Instead of only dividing run hours by unit, my company takes a weighted average of the profitability of the runs based on the mix of Medicare, Medicaid, or private insurance, to give you an enhanced view of your profitability. While some companies shoot for a .7 UHU, if they're not analyzing their payers through weighted averages, even a .7 UHU can spell trouble in the long run. That's why we use a system called UHU Plus, that provides an enhanced view of profitability by unit by hour run.