



 **Air Methods[®]**

Air Medical Transport Cost Structure

Critical care air medical transportation is an extremely valuable service to your community, and the thousands of communities Air Methods serves nationwide. Patients who have been transported because of critical illness or injuries sometimes are surprised by the charges when the bill arrives. It's very important to realize that Air Methods is obligated to transport based on a request, not the patients' ability to pay. Rest assured, the charges are both reasonable and necessary to support this vital lifesaving service to the community.

Air medical cost structure

The aviation and medical components of our business are two of the most highly regulated businesses in this country. Liability and medical malpractice insurance costs Air Methods millions of dollars each year. Unlike some air medical providers, Air Methods programs are not supported locally by specific air medical taxes.

In the past, many air medical programs were subsidized by local hospitals because they could recover these costs through patient stays in the hospital's specialty units. Unfortunately, the same forces that affect our reimbursement are being experienced by the nation's hospitals and the margins no longer remain to provide services through these subsidies.

Insurance companies are slow (and have little incentive) to recognize the changes our industry is facing. The "Reasonable and Customary" numbers utilized by some insurance companies are often outdated and inaccurate. Some insurance plans have "caps" or limits on ambulance coverage or exclude it altogether as a non-covered service. This allows the insurance company to sell their policies for a reduced cost and puts high out-of-pocket costs squarely on the patient's shoulders.

Imagine going to the grocery store and paying for your items with a check. What would happen if when your bank received the check they decided to pay less than the amount you purchased? The answer is obvious; the store would expect you to make up the difference, stop honoring your checks, or they would go out of business. The economics of air medical are the same. The insurance company does not provide service unconditionally and then allow the patient to decide what they are willing to pay. The insurance premiums are paid and they have a contract with the patient to cover their health care bills.



Our charges are comparable at more than 100 locations in which we operate throughout the country. Constant attention to reimbursement and collection of accounts allows us to operate these programs and keep them available when needed by you or your loved ones. Air Methods does not check your credit record or ability to pay prior to transport. Often, time is not on your side. The main priority is to transport you safely to a facility that can properly care for you. Annually, Air Methods absorbs the costs for those patients who have no ability to pay.

Despite what may seem to be high charges, after deducting our expenses, we end up with very modest profits by business standards. We must have some profit to exist, but more importantly we use this income to support substantial compliance with industry accreditation standards.

Experienced flight crew

It's no secret air medical transport is a costly service to provide. The multimillion dollar helicopters do play a major role in that cost, but those aircraft are only one factor of our total costs. Although each flight can consume thousands of dollars of variable cost (fuel, maintenance, and parts depreciation), because these services are provided 24 hours a day throughout the year and must be available at a moment's notice, much of the cost of providing these services is in the capacity to respond and not the actual cost of the individual flight. All the expenses of a multi-million dollar aircraft and the crew waiting for calls every hour of every day are divided between a very few calls per day, resulting in what seem like high charges for each call.



Each air medical flight crew consists of three, highly trained professionals including a pilot, flight nurse, and flight paramedic. Today, hundreds of thousands of people nationwide are living healthy, active lives, and enjoying time with family and friends because of the high-quality assessment, triage, and treatment they received from Air Methods' medical personnel. Our crews are some of the best in the air medical business today. As highly trained professional medical personnel, our staff has an enormous obligation to our patients and their families. Not only to assess the nature and extent of a patient's illness and injury and prioritize care needed, but also to assure safety remains the highest priority throughout the transport process.

Our pilots must be qualified to fly in the most extreme circumstances faced in the helicopter industry. For the medical personnel, the flight nurses are fully qualified and experienced in critical care beyond the level necessary to work in hospital critical care units. For the flight paramedic, they have a higher level of experience and more certifications than a traditional paramedic. In addition, each program must be supported with mechanics, communications specialists, and office/administrative staff.



Modern equipment

Air Methods takes great pride in having one of the most modern fleets in the air medical industry today. Additionally, these aircraft are equipped with current technologies that enhance safety such as night vision goggles; terrain avoidance warning systems; satellite navigation, weather, and tracking systems.

Our billing process

Air Methods will bill all health insurance, automobile insurance, worker's compensation, Medicare and/or Medicaid, and will make every effort to maximize the amount your insurance pays. In order for us to bill your insurance, we will need the name of your insurance company, your identification number and/or claim number, group number, and the insurance company's telephone number and the claims mailing address. We will verify the status of your policy or claim, and if possible the inclusion of air ambulance coverage. Air Methods will work with your insurance company to ensure that your claim is processed and paid correctly. Most insurance companies require health care providers to obtain the subscriber or beneficiary's signature assigning benefits before a claim can be submitted, therefore you may receive an invoice requesting your signature. In the event you do not have insurance or have a balance due after your insurance has paid, we have several payment options available. For those who can demonstrate the inability to pay, we have a program available for qualified applicants that can reduce your obligation. Please contact our Customer Service Department for details.

Please refer any questions regarding our billing process to Air Methods' Patient Business Services Customer Care at 800-965-4713.