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The Abaris Group

The TAG Line

The Abaris Group | *Innovative Solutions for the Emergency Care Field*
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The Abaris Group Analyzes the Ambulance Industry

By Bill Bullard, *Consultant, The Abaris Group*

The Abaris Group periodically analyzes the ambulance market and creates an industry white paper. Here is an overview of our recently released 2005 Ambulance Industry Report :

Major Providers Stronger than Ever, but Facing Stiff Competition

American Medical Response (AMR) strengthened its financial position so well, that it became attractive to Onex, a private equity firm. The purchase complements its already existing healthcare portfolio *(Note: EMS LP, the holding company for AMR and EMCARE announced on August 2, 2005 a $172.5 million in an initial public offering. See the August 3, 2005 Rocky Mountain News Article)*. Rural/Metro is posting its best stock value in over five years. Long-term debt continues to be a concern; however, it was recently refinanced. However, both have suffered significant losses to hospital-backed providers and prior ambulance owners.

Providers and Reimbursement Face Off

While Medicare reforms have potentially improved ambulance rates, new hurdles make it more difficult to actually get paid. For example, providers are now required to accept assignment, they can only bill ALS charges when used, and new legislation is forcing providers to accept Medicare rates for workers compensation transports. As the senior population continues to increase, the problem will worsen.

Public/Government Ambulance Providers Take the Lead

Public agencies provide the majority of ambulance transports, according to the 2004 JEMS Top 200-Cities Survey. Fire departments provide 42 percent of ambulance service. This change is due in part to the reimbursement challenges and new subsidy requirements of some 9-1-1 systems causing private providers, both regional and

(Continued on page 2)

Inside this issue:

Find *The TAG Line* and much more at www.abarisgroup.com.

To subscribe, email subscriptions@abarisgroup.com.

For breaking news, visit EMSNetwork.org.

PART FOUR
Enhancing Medical Staff Coverage for the ED and Trauma Center
September 7, 2005
10:00 a.m. – 11:30 a.m. PST

Join our expert panel for a 90-minute highly interactive Webinar. We will examine the critical challenges that plague hospital EDs and trauma centers nationwide on ensuring appropriate on-call medical staff coverage and improving the "throughput" of the emergency and trauma patients.

Learn:

- How serious the problem of on-call coverage is and what hospitals are doing about it.
- Four critical mistakes hospitals make by "paying" for on-call coverage.
- Who are the key specialists and what are some of the benchmark payments for them.
- How to develop a "win-win" on-call incentive program that is designed to stabilize the problem.
- The unique challenges of in-house and on-call trauma

Faculty:
Roger Heroux, PhD, MHA, CHE, Founding Partner, Hospitalist Management Resources
Martin Buser, MPH, FACHE, Founding Partner, Hospitalist Management Resources
Mike Williams, MPA/HSA, President, The Abaris Group

Additional details about the series can be found at **www.abarisgroup.com** or by emailing **webinars@abarisgroup.com**.

Emergency Department Specialists Hard to Find

In a survey conducted by the American College of Physician Executives, 64 percent of physician executives surveyed reported having a problem getting specialists to take call at their hospitals.

According to the survey, about 47 percent report that their hospitals are coping with the problem by paying specialists to take call. Of the hospitals that were not offering payments, about 46 percent said the idea has been considered.

A recent *ACEP News* article (June 2005) stated that the high cost of professional liability insurance is a contributing factor. Some neurosurgeons are stopping or cutting back on emergency call because certain insurance carriers offer discounts to physicians who cut back on these services.

The article noted that hospitals with the highest number of uninsured patients face shortages of specialist care in the ED. And oftentimes, these hospitals are least able to provide stipends to physicians.

Ambulance Industry,

(Continued from page 1)

national, to partner with fire departments in interesting ways. The City of San Diego's unique partnership with Rural/Metro continues to lead the industry for its creativity, while AMR developed a Joint Powers Authority in San Mateo County, Calif., where they contract with the fire departments for first responders, including monitoring response times and payment for the services. In one remarkable situation, Salem, Ore., elected to disband its fire department transport program and put it out for private bidding.

The Future

Overall, the industry is maturing. Competition has returned vehemently, which forces EMS systems/providers to be as efficient as possible. Reimbursement challenges further compel EMS to provide the best service at the least cost—sometimes in very creative partnerships. Until the payers recognize EMS as the gateway to healthcare and are willing to fund non-traditional programs, such as treat-and-release or transports to clinics versus hospitals when appropriate, major changes are not expected. *To purchase a copy of the 2005 Ambulance Industry Report please go to: www.abarisgroup.com*

Emergency Medical Services Support Act

On June 22, 2005, the Senate Homeland Security and Governmental Affairs Committee approved a bill that would provide federal support to local emergency medical services (EMS). The Emergency Medical Services Support Act, which the committee passed unanimously, would establish both an interagency committee and an advisory council to streamline federal EMS efforts and provide a forum for input from local officials and EMS providers.

"Congress has long recognized the importance of EMS providers, but federal support has been unfocused and uncoordinated," said Senator Russ Feingold (D-WI), the bill's co-author. "The EMS Support Act addresses these problems and [the] vote moves us a step closer to improving the situation for EMS providers."

The committee and advisory council created by the legislation would coordinate federal EMS activities, identify EMS needs, assure proper integration of EMS in homeland security planning, and make recommendations on improving and streamlining EMS support.

(Continued on page 3)

EMS Support Act, *continued*

Some EMS organizations believe that moving EMS out of NHTSA and into a newly created EMS administration at the Department of Homeland Security is the wrong solution to the problem. Instead, these groups support the creation of an EMS office within DHS to provide leadership and support for EMS terrorism preparedness and response.

Sen. Feingold has long supported strengthening EMS and has worked with Senator Susan Collins (R-ME) since 2002 on getting the EMS Support Act passed.

Click here to review the bill's text.

Web-based Tool Helps First Responders Locate Resources

The U.S. Agency for Healthcare Research and Quality (AHRQ) recently released the Emergency Preparedness Resource Inventory, a new Web-based tool to help local, regional, and state planners compile customized inventories of healthcare and emergency resources. Communities use the tool to assess their regional supply of critical resources, prepare for incident response, estimate gaps, and support future resource investment decisions.

First responders use the inventory to figure out where emergency equipment and medicines are located, how much is available and whom to contact to obtain those resources.

The Web-based tool has been pilot tested in an eight-county region of rural Pennsylvania with the support of county commissioners and emergency management coordinators. Planners in other areas may download the free software tool from AHRQ's Web site and customize the inventory structure to meet their needs.

To learn more about the online tool, visit the AHRQ Web site and read the press release. The Emergency Preparedness Resource Inventory software tool and accompanying supporting documents can be viewed by clicking here.

AHRQ has funded more than 50 emergency preparedness-related studies, workshops, conferences, and other activities to help hospitals and healthcare systems prepare for medical emergencies. Information about these projects can be found at www.ahrq.gov/browse/bioterbr.htm.

Trauma Care Limited to Rural Residents

According to a study in *JAMA* (June 1, 2005), almost 46.7 million Americans, located mostly in rural regions, do not live within one hour of a Level I or Level II trauma center, whereas the 42.8 million Americans who had access to 20 or more Level I or Level II trauma centers within an hour lived mostly in urban areas.

Researchers studied two national databases informing the Trauma Resource Allocation Model for Ambulances and Hospitals project to assess the percentages of national, regional and state populations within 45 to 60 minutes of the nation's 703 trauma centers.

The study concluded that when selecting trauma center location, consideration should be taken on geographic need, appropriately locating medical helicopter bases, and establishing formal agreements for sharing trauma care resources across states should be considered to improve access to trauma care in the nation.

The study's abstract can be retrieved by visiting the *JAMA* Web site at jama.ama-assn.org.

Legislative Updates

S.975

Project BioShield II Act of 2005 has been placed on the Senate calendar, and will provide incentives to increase research by private sector entities to develop medical countermeasures to prevent, detect, identify, contain, and treat illnesses, including those associated with a biological, chemical, nuclear, or radiological weapons attack or an infectious disease outbreak, and for other purposes. S.975 would also establish an Office of Medical Readiness and Response within the Office of the DHS Secretary that would be headed by a new assistant secretary for medical readiness and response, who would be appointed by the president.

S.1108

Cited as the Rural Access to Emergency Services Act of 2005, this bill will amend title XVIII of the Social Security Act to make improvements to payments to ambulance providers in rural areas, and for other purposes.

HR.1544

Faster and Smarter Funding for First Responders Act of 2005 has been received in the Senate and referred to the Committee on Homeland Security and Governmental Affairs. If passed, the Act will provide faster funding for first responders, and for other purposes.

Visit thomas.loc.gov for more details on these bills.

DHS Funding Considers Major EMS Provisions

The Department of Homeland Security Appropriations Act for Fiscal Year 2006 (HR.2360) will require the Department of Homeland Security (DHS) to give EMS no less than 10 percent of the funds appropriated for basic formula grants ($750 million) and urban area grants ($850 million).

The $32 billion DHS appropriations bill provides $3.6 billion for first responders, including grants to high threat areas, firefighters, and emergency management. Since September 11, 2001, $32.4 billion has been provided to first responders – including terrorism prevention and preparedness, general law enforcement, firefighter assistance, airport security, seaport security, and public health preparedness. The bill also recognizes that no community is immune from terrorism and achieves a balance between basic formula grants, used by states and localities to achieve a minimum level of preparedness, and funds for high-risk urban areas.

This would mean at least $160 million for EMS preparedness in fiscal year 2006 if Senate approves.

Specific funding levels include:

- $1.215 billion for high-density urban areas, including $850 million for urban area grants, $150 million for rail security, $150 million for port security, and $65 million for other infrastructure protection;
- $750 million for basic formula grants;
- $600 million for firefighter grants;
- $400 million for state and local law enforcement terrorism prevention grants;
- $180 million for Emergency Management Performance Grants;
- $200 million for first responder training; and
- No less than 10 percent of basic formula grants ($750 million) and urban area grants ($850 million) must be provided to EMS providers.

According to a report issued when the House Committee on Appropriations passed the bill, "The Committee is very concerned with the lack of first responder grant funding being provided to the [EMS] community. In response to a report requested last year by this Committee, [the DHS Office of Domestic Preparedness] reported that only 4 percent of first responder grants were awarded to EMS providers in fiscal year 2004. This is extremely disproportionate as EMS providers, in conjunction with police and firefighters, are the primary first responders for medical assistance in the event of a terrorist attack."

You can review and download the legislation by visiting thomas.loc.gov.

The Abaris Group continues

Webinar Series on Improving ED and Trauma Services

The Abaris Group is conducting a Webinar series throughout the year designed to assist emergency, trauma and other healthcare providers with effective strategies to use in the hospital and out-of-hospital environments. Led by experts in the field, the Webinars will provide participants with tools and tactics to use in the everyday healthcare setting.

Webinar Series Timeline

Enhancing Medical Staff Coverage for the ED and Trauma Center
September 7, 2005

Developing New ED Revenue
November 2, 2005

For more details and to register, visit abarisgroup.com. Educate your entire staff for one low cost. Pay only **$295** per site for one Webinar or learn about our special discounts when you register for two Webinars.

If you've missed our previous Webinars, visit www.abarisgroup.com to purchase a recorded version on CD.

News Briefs

The two million population in California's **San Gabriel Valley** are served by one trauma center, and trauma patients often must be transported to other trauma centers in Los Angeles County. The *Los Angeles Times* reported that 24 percent of patients in the Valley requiring trauma care were transported by helicopter to a trauma center during 2002-2003 (June 9, 2005). San Gabriel Valley at one time had three trauma centers, but a high number of uninsured patients forced two trauma center closures. Local officials have begun campaigning to reopen another trauma center.

Ohio State University Hospital East has invested $5 million in a new ED, a 25,000 square foot addition that reflects the area's growth and the medical center's commitment to its neighborhood.

The former **San Jose Medical Center** site is being considered for the development of an urgent care center to restore some services that were lost when the facility closed in December 2004. San Jose city officials are evaluating six proposals and will issue a report.

According to an article in EMS Insider (July 2005), **Southwest Ambulance** in Arizona has partnered with several Phoenix-area fire departments in two unique training programs. Firefighter/EMTs from several fire departments take paramedic classes at Southwest's Paramedic Academy, and Southwest and one fore department jointly field a special ambulance used to train new paramedics and offer ride-alongs.

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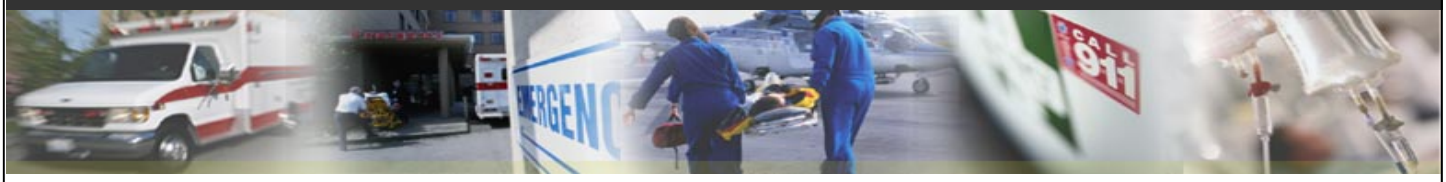

About Us

The Abaris Group is a consulting firm that specializes in emergency and outpatient services. We provide clients with help on a wide range of topics, including strategic planning, operational improvement, and financial enhancement, to help them achieve their goals.

We pride ourselves on delivering value to our clients in the form of quality recommendations and strategies that work. To achieve this, we conduct detailed analyses, blending insight and experience from all spectrums of the healthcare and emergency care fields to meet our client's unique needs.

Whether it is evaluation of new programs, studies of existing ones or assistance with implementation, we will extend this superior level of service to you and your organization.

For more information, visit www.abarisgroup.com or email subscriptions@abarisgroup.com.

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