Air Medical Services (AMS) have become an integral part of the healthcare system in the United States. AMS involves helicopter or airplane transportation of patients to a hospital, or between smaller, less-equipped hospitals and trauma centers or specialty care hospitals. In recent years, AMS utilization has significantly increased as a patient transport method. This increase may be attributed to financial pressures, insurance issues, changes in federal regulations, and competition within the current market. Similar factors may also drive changes and consolidation of services provided by smaller rural hospitals, resulting in the reduction of certain services provided by many hospitals (e.g., emergency departments, trauma centers, and specialty care clinics). Additionally, as technological advancements provide new, time-sensitive care, AMS will likely need to expand and improve. As AMS usage increases, concerns regarding the cost associated with maintaining air ambulance services have arisen.

Maintaining AMS programs is a complex and costly undertaking, with startup and operating capital requirements similar to that of local fire departments and hospital emergency departments. Historically, AMS providers have faced high fixed expenses for equipment and manpower, with relatively low volumes and modest variable costs. Helicopters and fixed wing aircrafts cost millions of dollars to purchase or lease, operate, store and maintain, and keeping trained crews available 24-hour/7 days per week basis represents a major expense. In 2003, the General Accounting Office (GOA) estimated that the cost of maintaining even generic ambulances is not supported by reimbursement rates. This presents even more of a challenge to AMS, as Medicare has strict reimbursement requirements that limit the number of approved claims.

Inefficiencies surrounding AMS may come from a lack of overall system planning and design to guide the development of AMS across the country. In an effort to improve AMS, The National Association of State EMS Officials (NAEMSO), the Association of Air Medical Services (AAMS), and the National Association of EMS Physicians (NAEMSP) have collaborated to develop national “best practices” guidelines for AMS operation. The American College of Emergency Physicians (ACEP) supports integrating air medicine into healthcare on a local, state, and national level. The aforementioned organizations contend that every state should develop AMS advertising and marketing regulations. As healthcare costs continue to rise and the availability of healthcare in rural communities decrease, AMS will likely continue to play an increasingly important role in expanding access to healthcare. In recent years, AMS utilization has been crucial in natural disasters emergency response tactics in Hurricane Katrina, the Joplin, MO Tornado, and Hurricane Irene. The need for increased access to specialty and emergency care resources should continue to drive AMS demand and utilization. In order to succeed, AMS providers must find ways to decrease cost and become more closely integrated into a geographically linked regional emergency medical system.

Mr. Cimasi holds a Masters in Health Administration from the University of Maryland, as well as several professional designations: Accredited Senior Appraiser (ASA – American Society of Appraisers); Fellow Royal Intuition of Chartered Surveyors (FRICS – Royal Institute of Chartered Surveyors); Master Certified Business Appraiser (MCBA – Institute of Business Appraisers); Accredited Valuation Analyst (AVA – National Association of Certified Valuators and Analysts); and, Certified Merger & Acquisition Advisor (CM&AA – Alliance of Merger & Acquisition Advisors). He has served as an expert witness on cases in numerous courts, and has provided testimony before federal and state legislative committees. He is a nationally known speaker on healthcare industry topics, the author of several books, the latest of which include: “[The U.S. Healthcare Certificate of Need Sourcebook” [2005 – Beard Books], “An Exciting Insight into the Healthcare Industry and Medical Practice Valuation” [2002 – AICPA], and “A Guide to Consulting Services for Emerging Healthcare Organizations” [1999 John Wiley and Sons].

Mr. Cimasi is the author of numerous additional chapters in anthologies, books, and legal treatises; published articles in peer reviewed and industry trade journals; research papers and case studies; and, is often quoted by healthcare industry press. In 2006, Mr. Cimasi was honored with the prestigious “Shannon Pratt Award in Business Valuation” conferred by the Institute of Business Appraisers. Mr. Cimasi serves on the Editorial Board of the Business Appraisals Practice of the Institute of Business Appraisers, of which he is a member of the College of Fellows.

Todd A. Zigrang, MBA, MHA, ASA, FACHE, is the Senior Vice President of HEALTH CAPITAL CONSULTANTS (HCC), where he focuses on the areas valuation and financial analysis for hospitals and other healthcare enterprises. Mr. Zigrang has significant physician integration and financial analysis experience, and has participated in the development of a physician-owned multi-specialty MSO and networks involving a wide range of specialties; physician-owned hospitals, as well as several limited liability companies for the purpose of acquiring acute care and specialty hospitals, ASCs and other ancillary facilities; participated in the evaluation and negotiation of managed care contracts, performed and assisted in the valuation of various healthcare entities and related litigation support engagements; created pro-forma financials; written business plans; conducted a range of industry research; completed due diligence practice analysis; overseen the selection process for vendors, contractors, and architects; and, worked on the arrangement of financing.

Mr. Zigrang holds a Master of Science in Health Administration and a Masters in Business Administration from the University of Missouri at Columbia, and is a Fellow of the American College of Healthcare Executives. He has co-authored “Research and Financial Benchmarking in the Healthcare Industry” (STP Financial Management) and “Healthcare Industry Research and its Application in Financial Consulting” (Aspen Publishers). He has additionally taught before the Institute of Business Appraisers and CPA Leadership Institute, and has presented healthcare industry valuation related research papers before the Healthcare Financial Management Association; the National CPA Health Care Adviser’s Association; Association for Corporate Growth; Infocast Executive Education Series; the St. Louis Business Valuation Roundtable; and, Physician Hospitals of America.

Anne P. Sharamitaro, Esq., is the Vice President of HEALTH CAPITAL CONSULTANTS (HCC), where she focuses on the areas of Certificate of Need (CON); regulatory compliance, managed care, and antitrust consulting. Ms. Sharamitaro is a member of the Missouri Bar and holds a J.D. and Health Law Certificate from Saint Louis University School of Law, where she served as an editor for the Journal of Health Law, published by the American Health Lawyers Association. She has presented healthcare industry related research papers before Physician Hospitals of America and the National Association of Certified Valuation Analysts and co-authored chapters in “Healthcare Organizations: Financial Management Strategies”, published in 2008.