

Hospital Based Transport-Revive or Exit-Does it Matter?

Joel Hochhalter
Health Services Integration, Inc.

The patient transport industry has experienced many peaks and valleys during the past two decades. However, the industry now faces unprecedented challenges; high unemployment has resulted in a significant increase in uninsured patients and fewer over-all patient transports, the Affordable Care Act (PPACA) has cast a cloud of uncertainty over the entire healthcare industry, Medicare regulations, payer reimbursement reductions, along with the new Federal Aviation Administration (FAA) regulatory and safety requirements will all contribute to the financial pressure on the transport community for the foreseeable future.

Despite adversity, the industry has seen substantial merger and acquisition activity. Hospital based transport programs have been popular targets in this activity. Often the hospital administration feels compelled to exit the patient transport business due of a lack of available data regarding the financial health of the program. There are numerous reasons for this lack of financial data which include the comparison amount of transport revenue with respect to inpatient and outpatient revenue, insufficient billing and collection practices allotted to the transport system, and the lack of program specific analytics.

Often during the budget process the patient transport program comes under scrutiny. Many questions arise such as: why is the hospital in the transport business, should the hospital care how patients are transported to the facility, how much does it costs to transport a patient, how much revenue does the program contributed to the hospital? The lack of clear answers to these questions may result in the hospital deciding to exit the patient transport business.

Once that decision has been reached, hospitals turn to the outside for solutions. The goal of the hospital is to eliminate the financial burden while maintaining its presence in the marketplace as provider of an active and vibrant patient transport service. Proposals from outside companies may include but not limited to:

- Take total financial responsibility for the program.
- Promise to utilize current hospital transport staff and/or reimburse the hospital for costs.
- Enter a lease agreement for hospital employees.
- Hire hospital employees and transfer levels/years of seniority.
- Pay an agreed upon amount for the program including agreed upon multiples of profitability.
- Add new and upgraded aircraft or ground units.
- Lease or purchase current hospital assets assigned to the program.
- Expand the program resulting in increased patient admissions.

There is an alternative solution.

Poor billing and collection processes and the lack of meaningful and actionable information about the program's operations and finances are often the causes of unsatisfactory program performance however, this situation can be corrected.

Health Services Integration's (HSI) state-of-the-art proprietary, information driven performance platform is specifically designed to optimize the program's financial performance. Through our learning system, each claim is analyzed during every step of the revenue cycle. The system accepts information from our skilled staff, as well as payer responses to determine the most efficient route to payment. Over the last 15 years, HSI has improved revenue per claim between 15-40 percent for new clients. HSI clients have realized a one-time increase in cash related to increased cash flow. Additionally, our powerful analytics software provides in depth and insightful information that allows our clients to make meaningful and impactful business decisions.

Whether you are contemplating the sale of your patient transport program or simply interested in dramatically improving your financial and operational results, HSI is the solution to consider. HSI stands ready to assist any program in understanding the value of the business and way to bolster financial performance.

For additional information on Health Services Integration, Inc and the performance platform discussed here please visit www.hsihealth.com or e-mail Joel Hochhalter, Vice President Business Development at joel@hsihealth.com.