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ASSOCIATION OF AIR MEDICAL SERVICES



April 6, 2020

The Honorable Alex M. Azar
Secretary
Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Secretary Azar,

On behalf of the Association of Air Medical Service's (AAMS) members and their emergency healthcare and aviation professionals, we are requesting that the Department of Health and Human Services rapidly distribute money to emergency air medical providers from the Public Health and Social Services Emergency Fund. Like other segments of the health care industry, air medical providers are incurring significant labor and other cost increases stemming from our response to the COVID-19 pandemic. This public health emergency has exacerbated the already precarious economic viability of emergency air providers across the country and threatens the closure of additional air medical bases at a time when this service is acutely needed.

In the face of the Coronavirus pandemic, air ambulances remain steadfast in serving our communities, and are, and will continue to be, a vital part of the response to and management of COVID-19 patients. As a result, we anticipate that in order to ensure the sustainability of the air ambulance community's labor force through the challenges of the next six months, air ambulance labor costs will increase by an estimated 50%, \$42,404 per aircraft per month, equaling \$254,424.00 per aircraft for six (6) months, for a total allocation of \$363,571,425.00.

The emergency air medical industry is also seeing a loss in revenue from fewer people requiring our services during this period of "stay at home" and 'social distancing.' We estimate the loss of patient transport volume to be nearing 50% across the industry, accompanied by a commensurate loss in overall revenue. However, our services must remain available in a state of readiness for patients with emergent medical and trauma needs as well as COVID-19 patients needing transport to medical centers of excellence – we are already transporting these patients and are expecting a surge of requests for COVID-19 patients, especially in rural areas where hospitals lack the essential resources.

- Expenses Related to Coronavirus:
 - The commitment to pay employees while they are quarantined and to pay staff when furloughed because of a decrease in air medical transport volume;
 - The provision of overtime and emergency pay for existing staff;
 - The exponential increases in the cost of PPE and expanded utilization of PPE to abide by the recommendations of the Centers for Disease Control and Prevention;
 - The exponential increases in costs of decontamination of aircraft, sensitive aviation equipment in accordance with FAA requirements, and medical and interior equipment;

- Lost Revenue:
 - The financial hardship created by reductions in air medical transport volume – many ambulance services are reporting in excess of 40 percent;
 - The need to sustain services despite those losses to serve communities that anticipate a COVID-19 surge and increased need for transport.
- Other Costs:
 - Increases in costs associated with the administrative management of employee's who are in quarantine because they are patients under investigation (PUI), have a positive COVID-19 test result, or require tracking because they were in contact with a PUI or patient who tested positive for COVID-19; and
 - The additional salary expense required to recruit and retain existing employees at higher than pre-March 2020 rates of pay because of Federal government recruiting efforts that promise to pay critical healthcare workers at twice the current rate of pay.

These costs and losses are being experienced by all types of providers (both public and private, including for-profit, not-for-profit, governmental and volunteer), as well as urban and rural.

According to data presented in the latest *Air Medical Services Cost Study Report* (March 24, 2017) the estimated median payroll cost per transport per base is \$4,711.00 and a median number of annual transports per base is 294. Together, this represents a total payroll cost per base per year of \$1,385,034.00. To extrapolate that number per aircraft, AAMS utilized the data reported by the FAA in their *Report to Congress: Safety of Air Ambulance Operations FAA Modernization and Reform Act of 2012 Pub. L. No. 112-95—Section 306* (April 4, 2018), which shows 1209 helicopters used to provide air ambulance operations in 2016. AAMS estimates, based on membership data, that an additional 220 fixed wing aircraft are used for emergency air medical transport, for a total of 1429 aircraft. When divided per licensed air ambulance aircraft, the total allocation is \$363,571,425.00.

We would ask the Department to release these funds directly to air medical organizations based on the number of licensed air medical aircraft. These aircraft are registered in the Provider Enrollment and Chain/Ownership System (PECOS) system and we ask that the Department direct the Medicare Administrative Contractors (MACs) to release this funding directly to the air medical organizations based on the licensed air medical aircraft listed in the PECOS system.

These funds would support the increased labor costs to support continued operation of air ambulances, a critical segment of this nation's emergency medical infrastructure, both for the continued response to the current crisis and the ongoing needs of the communities they serve. We thank you for this opportunity and look forward to answering any further questions regarding this request.

Sincerely,



Cameron Curtis, CMM, CAE
President & CEO
Association of Air Medical Services



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