

# Case Study

## Medical Transport Services Interfacility Transportation Arrangement

A hospital ("Hospital") needed a compliant and easy-to-administer compensation arrangement for the transportation of patients from the Hospital's freestanding emergency department ("FSED") to the Hospital.

### Situation

The Hospital was looking to contract with a medical transport company ("Company") for the provision of emergent ground transportation services to move Hospital patients from the Hospital's FSED to the Hospital. The hospital was seeking a fair market value (FMV) analysis of the services from an independent third-party valuation firm with substantial experience in ambulance/medical transport arrangements. Typically, ambulance transportation fees are stated as a base rate plus a mileage rate per patient loaded mile due to the Medicare Ambulance Fee Schedule (AFS) payment structure. For ease of operation, the Hospital was proposing an all-in fixed fee per transport.

### VMG Health Service Provided

➤ Compensation Arrangement Valuation

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### Contact

**Jen Johnson, CFA**

Managing Director  
Compensation Arrangements  
jen.johnson@vmghealth.com  
214-545-5882

*Contributors: Alex Wiederin, CVA and  
Nicole Montanaro, CVA*

### Solution

VMG Health assessed the interfacility fee by considering medical transport market reimbursement rates from industry research and market quotes for similar services. Additionally, VMG Health reviewed the Medicare AFS for reimbursement rates based on level of service transport (i.e. BLS, ALS, SCT, etc.) and mileage to build up the Medicare reimbursement. Using the totality of market data, VMG Health proposed an all-in fixed fee per transport inclusive of mileage between the FSED and Hospital.

### Success

VMG Health determined the FMV fixed fee per transport by considering the Medicare AFS and market research applicable to the subject transportation services. The deliverable was then used by the Hospital to support the proposed fixed fee per transport to be stated in the go-forward arrangement and for regulatory and compliance purposes.

### Client Results

92%

Client Satisfaction  
Rating

### About VMG Health

VMG Health is a leading, national, full-service healthcare strategy and transaction advisory firm providing solutions exclusively for the healthcare industry with a long-standing reputation of excellence in client service. Whether you need assistance with traditional transactions or emerging physician compensation models based on value and performance, VMG Health provides the expertise you can rely upon.

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