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WHAT CAN WE EXPECT IN THE FUTURE?



According to a new report by the Global Industry Analysts, Inc. the US ambulance market will exceed \$11.3 billion by 2015. Currently 13% of the population is over the age of 65, by 2030 this will increase to 20%. This increase means that there will be a continued growth of receivables that are due from Medicare. This will not be a good thing with the current reimbursement debacle. But with your support of your state and national ambulance associations this obstacle can be resolved. The American Ambulance Association is working Congress hard to get Medicare rate increases reinstated.

Providers in Alabama and Louisiana are currently battling the possibility of more Medicaid cuts. Louisiana has already taken hits on Medicaid's reimbursement for Air Service and disposables. The State of Alabama has come up with the idea to stop paying the cross over of coinsurance and deductibles for Medicare patients. Alabama operators receive one of the lowest mileage reimbursements of \$1.00 per mile from Medicaid. I am sure other states are trying to do similar cuts. It is imperative if you are an ambulance operator and want to stay in the business, that you are at least a member of your state ambulance association. The association gains political clout by having all ambulance services throughout its state. You will gain knowledge of what is in the future by attending the meetings and being a member. I have included the addresses of some ambulance associations in previous newsletters. Please see

www.ambulancesolutions.com. Some providers are implementing a pay prior to service for non emergency trips that have coinsurance or deductibles. Caution should be used in regards to the handling of credit card information. A few years ago I had the opportunity to be at dinner with one of our customers. During the dinner the operation manger got a call from his dispatcher. He used a statement similar to the one I used in facility contracts, "They called, we haul and that's all". The wording in our contract basically said You call, we haul, we bill and you pay in 10 days. In the past I have seen many operators fail because they ignored their billing department. The operators bought the best units, the best equipment and the most up-to-date gadgets. The trouble was their billing department had the oldest computer with the oldest software. As an owner or manager your chief concern should be the turn around time of your billing. If you can cut down the average turn around time by 10 days the impact on your company can be phenomenal.

Unfortunately, nothing is guaranteed as to what the future holds for reimbursements. Operators need to know what the immediate impact of the current fee schedule is on their operations. Once this is realized an immediate change of operation is in order. An increase of base rates which private insurance and private pay may compensate for the current cuts. If the fee schedule does get reinstated to last year's rates this could turn into an added bonus in the fu-

ture. Another suggestion is to evaluate how to increase the percentage of private pay revenues over Medicare and Medicaid. For example, exclusive contracts with insurance companies such as workers comp for their non emergency transportation for custom rates and contracting with industries to provide medical coverage and standby services. Increasing private pay is subject to your area and your competition.

The cost of operations is continually going up. Unfortunately reimbursement is not. By the government's own estimate 2 years ago, it is reimbursing at below the operational cost. There are things that you can do to cut your costs. Evaluate your fuel economy of your current fleet. Acadian Ambulance started an evaluation approximately 18 months ago in regards to their fuel economy. The net result of their test showed that by changing their fleet to Sprinters it would increase fuel economy 3 to 7 mpg depending on what unit it is compared to. At today's fuel cost an extra 3 mpg would mean a \$14,500.00 savings over the 300,000 miles life span. This easily covers the increased cost of the Sprinter. Ford claims that it's new 6.7 liter engine is going to be more fuel efficient also. Eliminating excessive idle time will also curb fuel, repair and maintenance cost substantially. Having nursing homes and hospitals install shorelines will eliminate the need of idle time. Inverters will charge the batteries and 110 volt AC can cool the units. The benefit for the facilities is the

CURRENT USED UNITS



1995 CHEV TYPE I 4X4 NATIONAL 112,000 MILES



2005 WHEELED COACH TYPE III 118,000 MILES



2005 WHEELED COACH



2003 AEV TYPE II 130,000 MILES



2002 AEV TYPE II 154,000 MILES

MANY MORE AVAILABLE PLEASE CALL FOR INFO



INSURANCE

Every year one of the most dreaded times is when insurance has to be renewed. It is one of the most expensive parts of operating a business. Unfortunately you cannot live without it. One of the problems with insurance companies is they are more interested in telling you what they do not cover instead of what they do. The minute you are sued and file a claim, they will send a letter stating that

you may not have enough insurance to cover the claim. Then shortly after that they will send you the reservation of rights letter. This document tells you all the reasons the claim may not be covered.

It is imperative on your part that you read your policy and try to understand the language that a million attorneys came up with and a million will disagree with. You need to make sure that all of

your property is listed and covered. During a year's time vehicles are sold and bought. Failure to notify your insurance agent of a unit that needs to be added or removed can be costly. Check your current coverage's, vehicles, real estate, inventory, workers comp, employee dishonesty and medical malpractice. Each one of these usually require separate coverage unless you have some kind of special package. Continued Page 3

CHASSIS STATUS

Almost all ambulance manufacturers have ordered as many chassis as they can afford to floor plan. Basically no new chassis ordered today will be delivered prior to July unless they are gas burners. The in stock chassis are going fast. When this inventory is out, the prices will go up around \$4,300.00 for the diesels you can get.

FORD – The Econoline series is now only offered with a V-10 gasoline engine only. There will be some modifications that are different than the current model. The batteries and the wiring shall be different. One battery will be under the hood and the second on the frame rail. One battery will work chassis while the other the conversion. Due to this change it will now require either a battery charger and inverter or a second battery charger to keep the unit charged through its shoreline. The hi idle will be accomplished by the addition of an aftermarket electronic hi idle device. Ford is now saying there is a 16 week lead time for the 6.7 liter diesel in the F series.

The last news article I saw stated they may still be waiting for EPA approval on the new standards.

CHEVROLET – GM now has a new CEO who stated that he was ready to listen to his customers. Obviously not the ones in the EMS market. The start production time for their entire platform for ambulances has been put back to the end of May. First trucks will not hit the ground until middle of June. There is news on the Type II van series recertification, it is hoped to have this in place by production time. The one good news is they have raised the GVWR of the Type I C-3500 to 13,000 lbs and front axle 6,000 lbs. This will open up chassis availability for the Type I's. This GVWR is minimal at best for the better built bodies due to their weight. Options may have to be limited on the ambulance conversion to make this chassis work. The new version 6.6 liter Duramax engine will capable of using B-20 biodiesel.

DODGE – The only real news at Dodge is that they have made the truck division its own product. The new RAM is scheduled to start building March 15th

It will have new sheet metal with a total redesign. The tires have been changed to allow an estimated 87 MPH top in. Dodge has signed a multi year extension with Cummins for its 6.7liter diesel engine.

SPRINTER – The distribution of Sprinters will now be done through Freightliner and Mercedes. The only real change will be the badge. The lead time on this chassis is still about 6 months.

FREIGHTLINER – Nothing new. There are still a few of these available.

INTERNATIONAL – Navistar is stilling waiting on its engine that uses EGR valves in lieu of Urea to be EPA certified to meet the new standards. One of the first units will be shown at the upcoming FDIC show. International had previously filed a Federal lawsuit against EPA's new requirement's. One of the requirements setting a mileage and time factor before loss of power because of an empty urea tank has since been changed from mandatory to suggested. They will announce in March that they will be getting in the light duty truck market.



Insurance Continued:

Louisiana actually had a law passed to decide what type of coverage covered the loading and unloading of a stretcher. Some insurance companies may have a limited mileage of coverage. This does not create an issue until you take a long distance trip and have an accident.

One coverage that creates problem is agreed value, this is usually a municipal coverage. The problem with this coverage is it takes 75% of value to total a unit with any policy. If your truck is old and worn out it may not total as result of the high value set 5 years prior. Check your values on your policy, your premium is based on this and it may be a costly disadvantage over time.

Workers Comp is something that you cannot afford to be without. This is an expensive coverage in some states. Louisiana is rated on a taxi cab drivers rating. You hear of more taxicab drivers getting shot than medics. The Arkansas Ambulance Association was able to get this rating changed a few years back and saved the operators a lot of money. Louisiana has some associations such as the LA Nursing Home and the LA Builders association that offer their own WC coverage. The issue with this program is you must become a member and you personally become responsible if the fund runs out of money. Make sure to check what the requirements are prior to joining. Their rates are usually lower and offer rebates after a length of time.

Medical Malpractice coverage may not be

available or unaffordable in some states. Louisiana passed the patient compensation ACT. This act, if you are a participating provider affords a \$500,000 cap unless the tort is due to an intentional act. To get this protection you must register with the state, purchase part of the med mal from your current provider and the balance is paid to the state at the same rate. If a suit is filed against you, it must go in front of a review board. This board has 2 experts in the field picked by your attorney and 2 by the plaintiff and 1 by the state. In the past around 80 percent of the cases were denied at the hearing level. If the plaintiff continues the case they must pay for all legal fees if they lose in the court system and will only get \$500,000 if they win, unless there was an intended act. Some operators have been discouraged by their insurance agents for buying into this program. If you are not in this program and the victim that is hurt by the med mal you could be responsible for their lifetime care, costing millions of dollars. Most policies are maxed at a million. I wish someone could tell me what is wrong with this program and why they would not participate.

Now that there are new federal laws dealing with protecting patient privacy and credit info and operators are accepting more payments this way, employee dishonesty policies are a must. Having had an employee of 14 years who stole a substantial amount of money, I am a firm believer in this policy. Unfortunately you cannot predict what people are going to do. However, you can protect yourself from a major loss with this type of policy.

It is up to you to get the proper coverage. Ways to keep your premium cost low is to have no claims. Risk prevention responsibility lies with you to make sure avoidable accidents do not happen. Patrol your operations and identify potential issues and correct them prior to an accident. Remind your staff it is imperative to think and be safe. When you see the horrific accidents that do happen show your staff that they are not immune but they can be part of the prevention. Patient refusals are another big risk. It should take as long to write a refusal as it does a run report. You have a 50% chance of collecting if your crews transport and a 0% if they do not. But there is the bonus of a 100% chance of a lawsuit if you get the refusal and something goes wrong.

Insurance is not anything like going to a casino. The casinos know their odds as do the insurance companies. If you win the jackpot they do not hit you with an assessment on future bets, insurance companies do. If you file a claim, there is no doubt your policy rates will increase next renewal or you will be dropped. When you shop for another carrier they will want a copy of your loss runs from your current carrier and a copy of the policy. Once they have the policy they have the pricing, so there goes the possibility of any savings. The other advantage your agent has is to send out request for proposals to all the companies writing the business. By doing this your agent has eliminated all possibilities of any competition as companies will only quote one agent.

Another possibility for saving is with insurance policies. Please see our article in this issue about insurance.

The beginning of this year has not started off with the best bang, but if you use this as a wake up call and reevaluate your operation it may end up as your best. The future is bringing smaller ambulances, hopefully they will bring more profit. Educating your crews of the upcoming changes will it make it

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“green effect” of no more noise and smell complaints and they are helping conserve fuel. There could be even some tax incentives, who knows. The coordination of maintenance schedules can be a major savings in the long run. We routinely see and hear of horror stories of mechanical failures and cost. When you look deeper you find that there has been little to no preventative maintenance going on. In every newsletter we have put out, we give recommendations for the immediate changes in maintenance schedules and materials. The services that have followed

this advice have seen a marked improvement in their units downtime and cost of operation. Preventative maintenance is not cheap in the beginning, but it will save you in the long run with down time and expensive repairs. Another unseen benefit is cutting down the exposure for lawsuits for poor response times due to equipment breakdowns.

We have established our website for ambulance parts and are adding products daily. This website WWW.AMBULANCEPARTS.COM offers some of the lowest prices available for ambulance parts. Everything is prepaid, therefore we cut down our labor cost and can offer lower pricing through our website.



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Thank you for the positive response to our website. We are adding more products daily. It is very important to us to get you the highest quality product at the best price possible. When it comes to listing a product on the website much information is required. We are trying to identify what brands the product is compatible with as well as its size and weight. The dimension and weight are used to calculate freight costs. Pictures of each item are taken so that you can compare the new product with what you are trying to replace. Please feel free to contact us if you need help trying to match something.. Below are pictures of a couple of items from our website. The first being the vacuum operated heater valve. Almost all ambulances use this product to turn on and off the heat in the patient compartment. These valves usually last 2 to 3 years. Also we have included an LED Dome replacement light that fits directly in the hole for the halogen dome light that everyone hates because of the high cost of its upkeep. See www.ambulanceparts.com to receive the best prices in the industry.

Set of 4 \$59.99	Best price out there \$112.00	Unbeatable \$8.90 each
		

TIPS TO KEEP THEM GOING

FORD: After the last newsletter, one of readers brought up the fact that Shell Rotella had changed its formula to meet Ford's requirement of CJ4. This was done in June of 2009 only 6 years after the 6.0 came out. Make sure you check the back of the bottle and see that it meets the CJ 4 requirement. There is still some old stock floating around. According to the information on the bottle it exceeds the Shell Rimula formula.

Recently one of our customers sent us a copy of TSB 08-9-9 dealing with 6.0 liter hard start, long crank or no start due to low injection control pressure (ICP). This TSB describes the steps to diagnose that problem. It also says to use a special air adaptor (#303-7065) on the top of the high pressure oil pump to pressurize the system. This adaptor is probably a special order item and the cost is unknown. This customer was able to go to his local hardware store and buy the necessary fitting for less than \$25.00. We have a copy of this TSB if you need it.

Heaters: With today's engines, providing hot water to the rear heater can prove challenging. Some Ford F series have restrictors in the hoses going from the front heater core to the block. If the hose is spliced on the wrong side of the splice there will be little flow to the rear unit. When replacing or adding splices make sure to use metal splices like pictured. This splice is designed to reduce



flow to the front and redirects to the rear.

A Chevrolet chassis requires an additional 12 volt pump to move enough volume of water to heat the rear. Other issues with heaters can be crimped hoses and/or air blocks. Air in the lines can happen when you drain your antifreeze. Sometimes you may have to disconnect your return line to the rear unit and until the air clears.



The newer Ford F series require a 12 volt vacuum pump to operate heater valves.



AMBULANCE RENTALS



The next time you have a unit go down or is involved in wreck, do not put your self in a bind; call us. We try to keep a few ambulance rentals in stock at all times. All of our rentals have been serviced, inspected and ready to be put in service. Our short term rental is for 7 days. Long term is available at a lower rate. Our rentals are clean and dependable and something your crews will not be ashamed of.

If your ambulance body is damaged we can fix it. Our staff is ready to repair just about any damaged unit. Our office is routinely contacted by insurance companies around the country for estimates and valuations of wrecked units. The next time your unit is in a wreck call us and we can arrange the drop off of your rental as well as the transportation of your wrecked unit back to our facility for repairs. This can save hundreds in transportation alone.