TOKIO MARINE HCC



The Real Cost of Air Ambulance Evacuations

When it comes to air ambulance fees, understanding what is reasonable and customary—and the factors that influence those costs—is critical for organizations looking to avoid overpriced services and maintain the financial viability of their self-funded plans without sacrificing patient safety.





Understanding Reasonable and Customary Fees

Did you know that your clients may be paying too much for medical evacuations?

The cost of an air ambulance flight depends on several key factors, including the traveler's location, the severity of their medical emergency, the resources available at their destination, and the location of the nearest medical facility capable of treating their condition. However, data from Tokio Marine HCC – Stop Loss Group indicates many organizations are being charged, on average, over $135,000 too much (and as much as $374,460 too much!) for each medical evacuation.

Our goal at Tokio Marine HCC – Stop Loss Group is to provide a one-stop resource for all of our clients. In addition to our stop-loss products, we provide additional services and cost containment abilities via our sister company, On Call International. And as a valued customer of Tokio Marine HCC- Stop Loss Group, we provide these additional services at no extra cost to your clients! With more than 20 years' experience in coordinating air ambulance evacuations, On Call International (also a member of the Tokio Marine HCC Group of Companies) utilizes a proprietary network of preferred providers, which allows them to pass in-network cost savings on to its clients, members, and partners.

The following research, compiled by On Call International, aims to shed some light on reasonable and customary air ambulance fees and the factors that influence those costs. The aim of this report is to help you help your clients with this knowledge.

Methodology:

- This report is intended to provide details and understanding of the Air Ambulance service provided by On Call International.
- Specifically, it contains detailed information concerning year-by-year case counts, cost by mile, and cost by medical transport on the basis of frequency by mile ranges.
- The source of data for this analysis is On Call International's mission log. This report contains data from January 2012 to June 2017. On Call International has coordinated more than 5,000 medical evacuations over the last 10 years.
- The geographic coordinates needed for calculating trip distances were harvested from Google Maps. When analyzing departure locations, each is grouped into one of nine regions.



A patient flown from the Virgin Islands was billed almost 20 times more than the reasonable and customary amount.

Air Ambulance Claim Examples

Tokio Marine HCC – Stop Loss Group

Policy Holder	Origin	Destination	Amount Billed	Resonable and Customary	Gross Savings	% Gross Savings
1	Peebles Hospital, Tortola, Virgin Islands	Broward Health Med Ctr, Ft Lauderdale, FL	$395,525	$21,065	$374,460	95%
2	Mayo Clinic Hospital, Phoenix, AZ	Inova Fairfax Hospital, Falls Church, VA	$309,550	$27,500	$282,050	91%
3	Renown Regional Med Ctr, Reno, NV	Craig Hospital, Englewood, CO	$259,113	$28,310	$230,803	89%
4	Patient's Home, Grants Pass, OR	Mayo Clinic Hospital, Phoenix, AZ	$256,300	$146,590	$109,710	43%
5	Rockford Memorial Hospital, Rockford, IL	Northwestern University Memorial Hospital, Chicago, IL	$169,392	$45,600	$123,792	73%
6	St Elias Specialty Hospital, Anchorage, AK	University of WA, Seattle, WA	$138,141	$33,001	$105,139	76%
7	Battle Mountain Hospital, Battle Mountain, NV	University of Utah Hospital, Salt Lake City, UT	$70,750	$14,174	$56,576	80%
8	Northeastern Nevada Regional Hospital, Elko, NV	University of Utah Hospital, Salt Lake City, UT	$70,602	$12,400	$58,202	82%
9	John F Kennedy Memorial Hospital, Indio, CA	Arrowhead Regional Med Ctr, Colton, CA	$65,406	$14,107	$51,299	78%
10	Mercy Hospital, Springfield, MO	St. Louis Children's Hospital, Cahokia, IL	$65,342	$13,954	$51,389	79%
11	Dickenson Community Hospital, Clintwood, VA	University of WI Hospitals/ Clinics, Madison, WI	$63,509	$14,000	$49,509	78%
AVERAGE			**$169,421**	**$33,700**	**$135,721**	**80%**

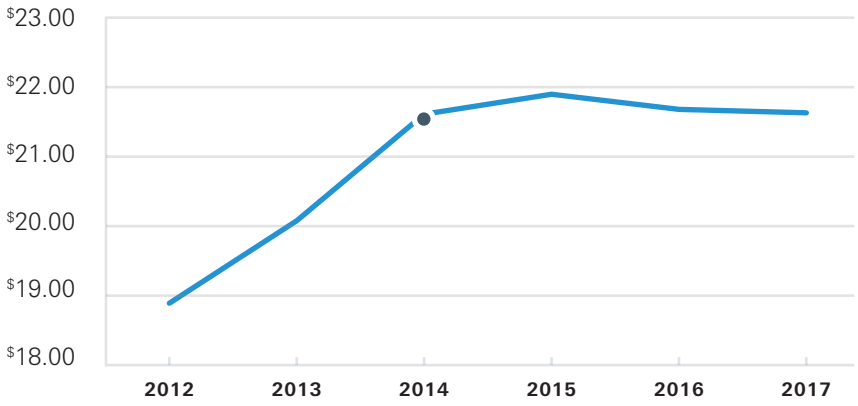
Supporting Air Ambulance Analysis, Graphics, and Corresponding Key Observations

All Air Ambulances

Cost per mile has remained largely steady since 2014. This is most likely due to On Call International's credentialed provider network, which is made up of organizations that utilize more fuel-efficient aircraft that can travel longer distances without stopping.

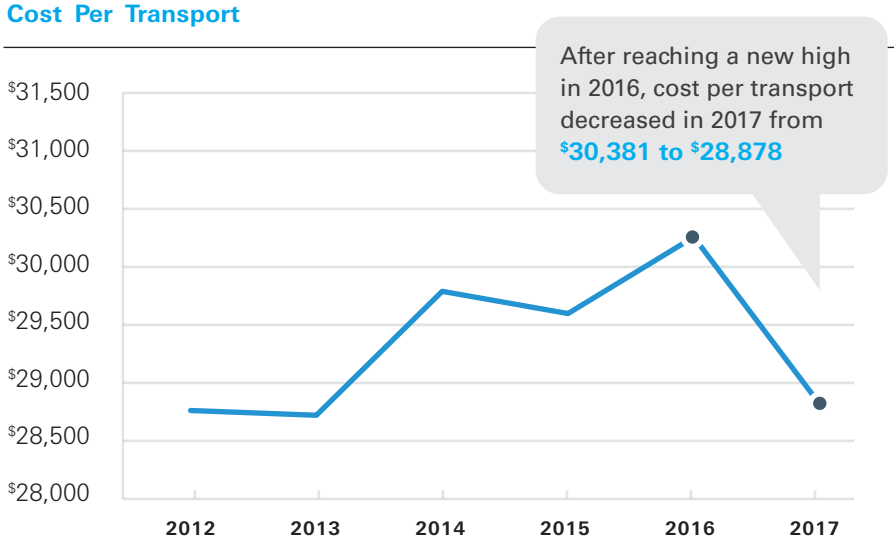
Fewer stops = reduced permit fees, which include fly over fees and landing fees.

Cost Per Mile



2012	$18.90
2013	$20.10
2014	$21.65
2015	$21.94
2016	$21.72
2017	$21.67

Cost Per Transport



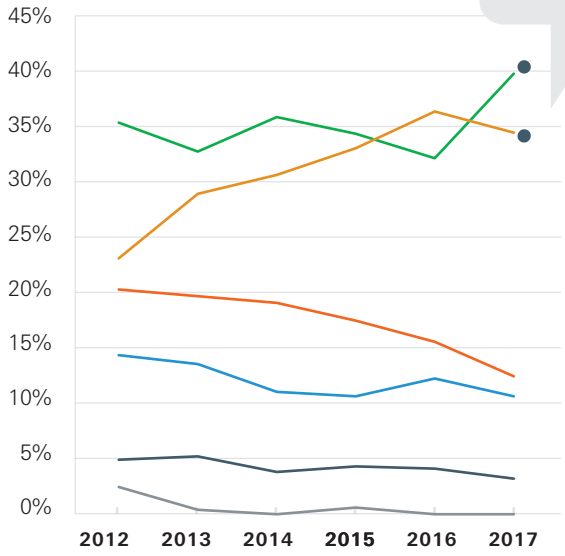
2012	$28,819
2013	$28,776
2014	$29,892
2015	$29,692
2016	$30,381
2017	$28,878



Distance

Percent of Cases by Trip Length

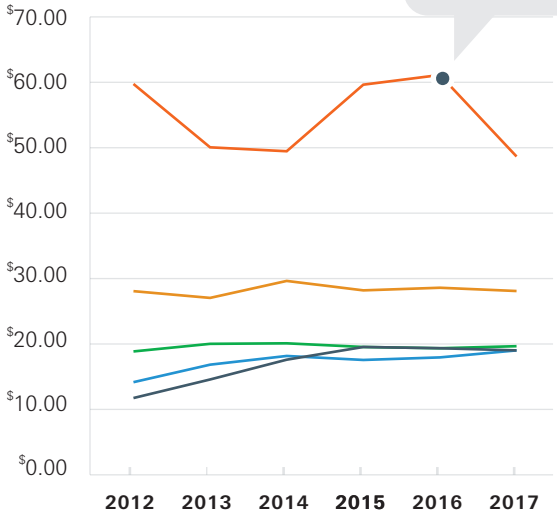
The majority of air ambulance missions had a trip length of between 501–1,000 miles & 1,001–2,000 miles



	2012	2013	2014	2015	2016	2017
0–500	20%	19%	19%	17%	16%	12%
501–1000	23%	29%	31%	33%	36%	34%
1001–2000	35%	33%	36%	34%	32%	40%
2001–5000	14%	13%	11%	10%	12%	10%
5001–10000	5%	5%	4%	4%	4%	3%
UNKNOWN	2%	0%	0%	0%	0%	0%

Cost Per Mile by Trip Length

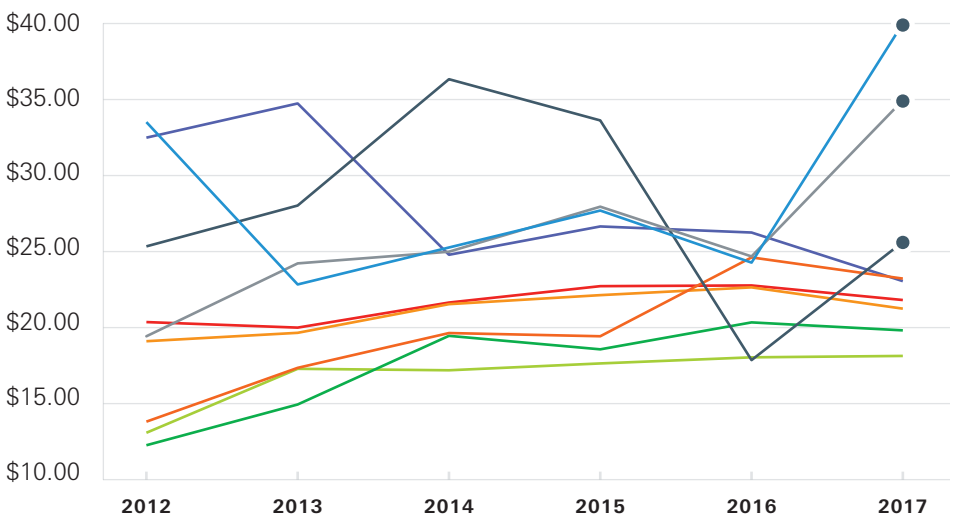
Shorter trips are generally more expensive per mile than longer missions as the latter utilize newer, more efficient aircraft



	2012	2013	2014	2015	2016	2017
0–500	$59.65	$49.98	$49.38	$59.54	$61.02	$48.58
501–1000	$28.03	$27.00	$29.59	$28.15	$28.55	$28.05
1001–2000	$18.83	$19.99	$20.07	$19.73	$19.32	$19.63
2001–5000	$14.14	$16.81	$18.14	$17.53	$17.92	$18.91
5001–10000	$11.72	$14.55	$17.57	$19.51	$19.15	$18.99

Departure Cost

Cost Per Mile By Region



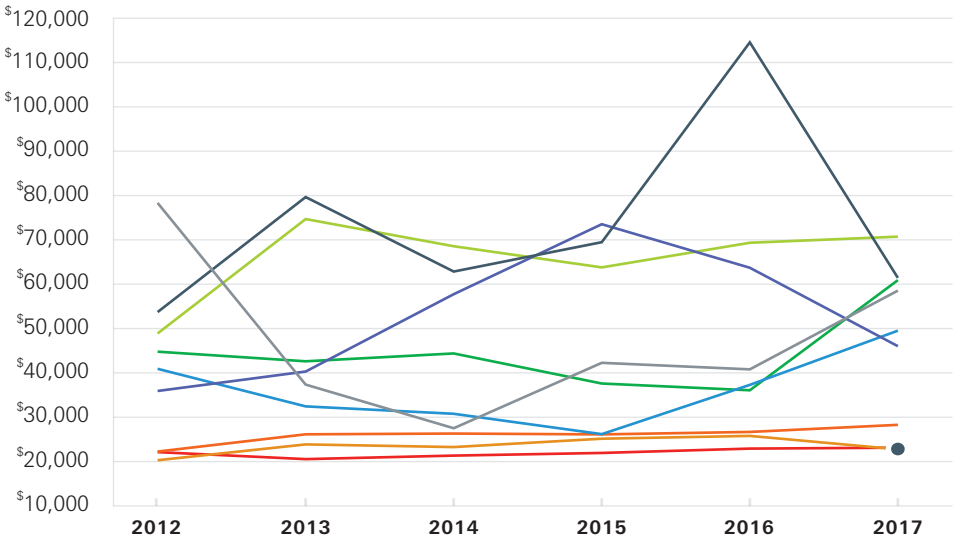
On a cost per mile basis, missions originating in North America were considerably less expensive than those originating in regions like the Middle East, Asia, and Africa.

This is largely due to higher premium fees for traveling from destinations deemed as high-risk and/or unstable.

	2012	2013	2014	2015	2016	2017
EUROPE	$13.06	$17.24	$17.14	$17.59	$17.99	$18.08
SOUTH AMERICA	$12.24	$14.91	$19.40	$18.51	$20.28	$19.76
NORTH AMERICA	$19.04	$19.59	$21.47	$22.06	$22.57	$21.18
CARIBBEAN	$20.30	$19.93	$21.57	$22.65	$22.69	$21.74
ASIA	$32.36	$34.60	$24.70	$26.55	$26.16	$22.97
CENTRAL AMERICA	$13.78	$17.30	$19.58	$19.37	$24.53	$23.14
MIDDLE EAST	$25.25	$27.92	$36.19	$33.49	$17.81	$25.54
AUSTRALIA & OCEANIA	$19.37	$24.14	$24.90	$27.85	$24.59	$34.81
AFRICA	$33.38	$22.76	$25.18	$27.59	$24.19	$39.83



Cost Per Transport by Region



Air ambulance evacuations departing from North America were among the lowest in terms of average costs per case each year.

Air ambulance transports from North America typically travel domestically to the patient's home hospital and thus are less costly than evacuations from areas such as the Middle East and Europe.

	2012	2013	2014	2015	2016	2017
NORTH AMERICA	$20,002	$23,579	$22,977	$24,867	$25,503	$22,468
CARIBBEAN	$21,835	$20,250	$21,048	$21,647	$22,631	$22,835
CENTRAL AMERICA	$21,963	$25,861	$26,032	$25,843	$26,399	$28,002
ASIA	$35,664	$40,058	$57,552	$73,381	$63,533	$45,791
AFRICA	$40,674	$32,177	$30,505	$25,898	$37,042	$49,302
AUSTRALIA & OCEANIA	$78,190	$37,103	$27,237	$42,029	$40,551	$58,363
SOUTH AMERICA	$44,552	$42,374	$44,150	$37,350	$35,824	$60,731
MIDDLE EAST	$53,511	$79,519	$62,673	$69,317	$114,510	$61,245
EUROPE	$48,671	$74,544	$68,398	$63,614	$69,184	$70,561

Cost Savings Through a Network of Preferred Ambulance Vendors

Tokio Marine HCC – Stop Loss Group and On Call International can help you help your clients by passing on the in-network cost savings realized through On Call International's proprietary network of preferred air ambulance vendors.

Want to make sure more of On Call International's services are integrated into your organization's contingency solutions through Tokio Marine HCC – Stop Loss Group? Contact your Stop Loss Sales Representative today for more information.



TOKIO MARINE HCC

About On Call International

When traveling, every problem is unique—a medical crisis, a political threat, even a common incident such as a missed flight. But every solution starts with customized care that ensures travelers are safe and protected. That's why for over 20 years, On Call International has provided fully-customized travel risk management services protecting millions of travelers, their families, and their organizations.

About Tokio Marine HCC – Stop Loss Group

For more than 40 years, HCC Life Insurance Company, operating as Tokio Marine HCC – Stop Loss Group, has been leading the way in medical stop loss insurance for employers and plans who self-fund their benefit plans. Contact us for your stop loss, Taft-Hartley, captive and organ transplant needs. Rated A++ (Superior) by A.M. Best Company, Tokio Marine HCC – Stop Loss Group is backed by the financial stability of its parent company, Tokio Marine HCC.

Why Tokio Marine HCC

Tokio Marine HCC is a leading specialty insurance group underwriting more than 100 classes of specialty insurance in approximately 180 countries. Headquartered in Houston, Texas, the company is made up of highly entrepreneurial teams equipped to underwrite special situations, companies and individuals. Tokio Marine HCC is part of Tokio Marine, a premier global company with a market cap of approximately $33.8 billion.*

*As of 12/31/2018.

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Mind over risk

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