

## # Feasibility Study: Private Ambulance Service in Cincinnati, Ohio

### ## Executive Summary

This feasibility study evaluates the potential for establishing a private ambulance service in Cincinnati, Ohio. The analysis examines market conditions, regulatory requirements, financial projections, and operational considerations to determine business viability. Based on our analysis, a private ambulance service in Cincinnati shows moderate-to-strong potential for success with proper planning, adequate capitalization, and strategic positioning.

### ## 1. Market Analysis

#### ### Cincinnati Healthcare Landscape

- **Population**: Cincinnati has approximately 309,000 residents, with the greater metropolitan area home to over 2.2 million people
- **Healthcare Facilities**: The city hosts several major medical centers including:
  - University of Cincinnati Medical Center
  - Cincinnati Children's Hospital Medical Center
  - The Christ Hospital
  - Good Samaritan Hospital
  - Mercy Health facilities

#### ### Existing Ambulance Services

- **Public Services**: Cincinnati Fire Department (CFD) provides primary 911 emergency ambulance service
- **Private Competitors**:
  - American Medical Response (AMR)
  - MedTrans
  - Mercy Ambulance
  - Priority Ambulance
  - Several smaller, specialized providers

#### ### Market Opportunities

- **Non-Emergency Transport**: Transfers between healthcare facilities
- **Scheduled Medical Transport**: Regular transport for dialysis, radiation therapy, etc.
- **Special Event Coverage**: Sporting events, concerts, festivals
- **Specialty Care Transport**: Critical care, bariatric, neonatal transport
- **Contract Services**: Agreements with hospitals, nursing facilities, rehab centers

#### ### Market Gaps & Differentiation Potential

- **Response Time Improvement**: In certain areas or during peak demand
- **Specialized Equipment**: Bariatric ambulances, critical care units
- **Service Quality**: Higher standard of care and customer service
- **Technological Integration**: Better tracking, communication, and patient information systems

### ## 2. Regulatory Requirements

#### ### Licensing & Certification

- **Ohio Department of Public Safety, Division of Emergency Medical Services**:
  - Ambulance service license
  - Vehicle permits for each ambulance
- **City of Cincinnati**: Business license and special permits

### ### Vehicle Requirements

- Must meet Ohio Administrative Code Chapter 4766-2 specifications
- Regular inspections and certifications

### ### Personnel Requirements

- EMTs and Paramedics must be certified by the State of Ohio
- Background checks required
- Continuing education requirements

### ### Insurance Requirements

- Commercial auto liability (significant coverage amounts)
- General liability insurance
- Medical professional liability insurance
- Workers' compensation

## ## 3. Financial Analysis

### ### Startup Costs (Estimated)

- \*\*Vehicles\*\*: \$150,000-\$200,000 per ambulance (3 ambulances minimum): \$450,000-\$600,000
- \*\*Equipment\*\*: \$30,000-\$50,000 per ambulance: \$90,000-\$150,000
- \*\*Facility\*\*: First year lease/renovation: \$60,000-\$100,000
- \*\*Licensing & Insurance\*\*: \$30,000-\$50,000
- \*\*Initial Staffing & Training\*\*: \$50,000-\$75,000
- \*\*Technology Systems\*\*: \$30,000-\$60,000
- \*\*Marketing & Brand Development\*\*: \$15,000-\$30,000
- \*\*Working Capital (6 months)\*\*: \$200,000-\$300,000
- \*\*Total Estimated Startup\*\*: \$925,000-\$1,365,000

### ### Revenue Projections (Annual)

- \*\*Non-Emergency Transports\*\*: \$500,000-\$750,000
- \*\*Specialty Care Transports\*\*: \$250,000-\$400,000
- \*\*Contract Services\*\*: \$300,000-\$500,000
- \*\*Special Event Coverage\*\*: \$50,000-\$100,000
- \*\*Potential Annual Revenue\*\*: \$1,100,000-\$1,750,000

### ### Operating Expenses (Annual)

- \*\*Staffing\*\*: \$600,000-\$800,000
- \*\*Vehicle Maintenance & Fuel\*\*: \$80,000-\$120,000
- \*\*Facility Costs\*\*: \$60,000-\$100,000
- \*\*Insurance\*\*: \$70,000-\$100,000
- \*\*Medical Supplies\*\*: \$50,000-\$80,000
- \*\*Administrative & Overhead\*\*: \$100,000-\$150,000
- \*\*Total Operating Expenses\*\*: \$960,000-\$1,350,000

### ### Profitability Analysis

- \*\*Estimated Annual Profit (Year 3)\*\*: \$140,000-\$400,000
- \*\*Break-even Point\*\*: 24-30 months
- \*\*ROI\*\*: 10-30% after 3 years of operation

## ## 4. Operational Considerations

### ### Staffing Requirements

- \*\*Management\*\*: Operations manager, clinical director, billing manager

- **Field Staff**: EMTs, paramedics (minimum 12-15 for 24/7 coverage with 3 ambulances)
- **Support Staff**: Dispatch, billing, maintenance, administrative

#### ### Location Considerations

- Central location with quick access to major highways
- Proximity to healthcare facilities
- Adequate space for vehicle storage, maintenance, supplies, and administration
- Suggested areas: Reading Road corridor, Norwood, Blue Ash

#### ### Equipment & Technology

- **Vehicles**: Type I, II, or III ambulances based on service mix
- **Medical Equipment**: Standard and specialized based on service offerings
- **Technology**: CAD system, GPS tracking, electronic patient care reporting, billing software

#### ### Key Partnerships

- Hospitals and healthcare systems
- Long-term care facilities
- Dialysis centers
- Insurance providers
- Local emergency management agencies

### ## 5. SWOT Analysis

#### ### Strengths

- Growing elderly population increasing demand for medical transport
- Multiple potential revenue streams
- Opportunity to integrate modern technology for competitive advantage
- Ability to specialize in underserved niches

#### ### Weaknesses

- High initial capital investment
- Regulatory compliance complexity
- Insurance reimbursement challenges
- Staffing challenges in competitive healthcare market

#### ### Opportunities

- Contracts with healthcare facilities for guaranteed business
- Expansion into adjacent markets (Dayton, Northern Kentucky)
- Development of specialized transport services
- Technology integration for improved efficiency

#### ### Threats

- Established competitors with brand recognition
- Potential regulatory changes
- Reimbursement rate reductions
- Healthcare industry consolidation

### ## 6. Implementation Timeline

#### **Months 1-3:**

- Business entity formation
- Initial funding secured
- Licensing process initiated
- Location scouting

**\*\*Months 4-6:\*\***

- Facility lease/purchase and setup
- Initial vehicle acquisition
- Key staff hiring
- Insurance procurement

**\*\*Months 7-9:\*\***

- Equipment purchasing and setup
- Staff training
- Technology implementation
- Marketing campaign launch
- Regulatory inspections

**\*\*Months 10-12:\*\***

- Begin operations with limited services
- Ramp up marketing efforts
- Secure initial contracts
- Refine operations based on initial experience

**\*\*Year 2:\*\***

- Expand service offerings
- Add additional vehicles and staff
- Develop specialty service lines
- Pursue larger institutional contracts

## **## 7. Conclusion and Recommendations**

Based on this feasibility study, a private ambulance service in Cincinnati presents a viable business opportunity with moderate risk and potential for profitability. However, success will depend on:

1. **\*\*Sufficient Capitalization\*\***: Secure adequate funding to sustain operations through break-even point (24-30 months)
2. **\*\*Strategic Differentiation\*\***: Focus on underserved niches and service quality
3. **\*\*Strong Partnerships\*\***: Develop relationships with healthcare facilities for steady contract business
4. **\*\*Efficient Operations\*\***: Implement systems to maximize utilization and minimize downtime
5. **\*\*Compliance Excellence\*\***: Maintain impeccable regulatory compliance and safety records

**\*\*Next Steps Recommended:\*\***

1. Conduct detailed market research with potential clients
2. Develop comprehensive business plan with precise financial projections
3. Explore funding options (investment, loans, partnerships)
4. Begin regulatory application process
5. Initiate discussions with potential institutional clients

With careful planning and execution, a private ambulance service in Cincinnati has the potential to develop into a profitable and sustainable business.