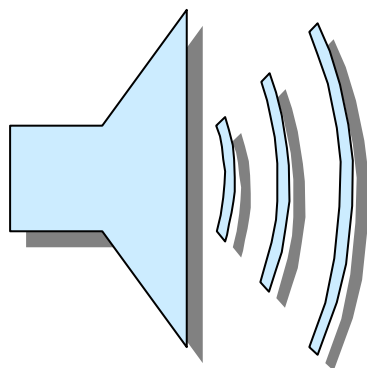


The Siren is published by AccuMed  
Billing, Inc.  
Administrative Office  
19135 Allen Road  
Suite 106  
Brownstown, MI 48183

**Mailing Address**  
PO Box 2122  
Riverview, MI 48192



# The Siren

A Newsletter for Ambulance Service Providers



Since 1989  
CONTACT US

TOLL FREE  
800-926-6985  
FAX  
734-479-6319

Visit our Website  
www.accumedbilling.com

## Spring 2004

The Expanding Reach of Government, <i>Kickbacks and Discounts</i>	2,4
May 26 EMS Seminar	3
AccuMed Staff Directory	4
HIPAA Privacy Turns One Year Old	3
Notices from Insurance Carriers	3

## MEDICARE PRESCRIPTION DRUG AND MODERNIZATION ACT INCLUDES PROVISIONS THAT AFFECT AMBULANCE SUPPLIERS

Section 414 of the Medicare Prescription Drug, Improvement and Modernization Act (MMA) of 2003 contains changes that affect rural and urban ground ambulance fees.

In addition to the blending of The Fee Schedule and Reasonable Cost method of reimbursement, there is now a provision to further blend the payment portion of the Fee Schedule component if applicable. From July 1, 2004 through December 30, 2009, the reimbursement will be either the National Fee Schedule amount or a blend of the National Fee with the Regional Fee Amount. This will be calculated by CMS and ambulance suppliers will be paid the higher of these two amounts.

Another revision is an adjustment for certain long trips for ground ambulance runs 50 miles or longer. A 25% increase in mileage will be given for the entire trip that the patient is on

board. This is for trips originating at rural or urban areas. This will be for a period from July 1, 2004 through December 31, 2008.

Another additional accommodation to retain Emergency Capacity for ambulance service in rural areas has been added. An increase in the base rate for ground ambulance services that originate in the lowest quartile of all rural county populations. Effective July 1, 2004 through December 30, 2006, a bonus will be given to these services and the amount is yet to be determined at this writing (March 2004). These areas will be identified with a "B" in the National Zip Code File.

AccuMed will notify our clients who qualify for this bonus prior to implementation.

The MMA also provides additional adjustments for both rural and urban ambulance providers for a period from July 1, 2004 through December 31, 2006. For services that originate in an urban

area, a 1% increase is added to the Fee Schedule for both the base rate and mileage. For services originating in rural areas, there will be a 2% increase. The designation is for "point of pickup" (POP) of the patient not necessarily the location of your base of operation. These fees will be incorporated in the CMS Fee Schedule file and will not be calculated by CMS carriers.

These revisions further complicate the transition period of the Fee Schedule which is still on-going. If you would like a copy of [CMS Manual System Pub. 100-04 Medicare Claims Processing, Transmittal 88](#) call Jan Tjernlund at 800.926.6985 ext 207.



## PLEASE SEND CURRENT COPY OF LICENSE

AccuMed Clients, before inserting your annual license into the frame and "posting in a prominent place", Please forward a copy to AccuMed for your file in our office. We frequently are asked to supply

an updated license from an insurance carrier and ask that you supply us a copy as soon as you receive it in the mail. Also, if you make any changes such as an upgrade of your licensure, change your Tax ID, name or address changes; please let us know immedi-

ately. This is very important for compliance with insurance carriers. You may fax the copy of your license to Jan Tjernlund or Teri Smith at 734-479-6319.

## The Expanding Reach of the Federal Government:

### Kickbacks and Discounts

By Steve Wirth, Esq. and Doug Wolfberg, Esq.

The federal government continues to expand its efforts to quell Medicare fraud through investigations of potential violations of the Anti-kickback Statute (AKS) and the federal False Claims Act. The number of resources at the disposal of the government to ferret out fraudulent practices has also increased tremendously in recent years, making compliance programs all the more important.

#### Fraud Enforcement Gains Momentum

The *Wall Street Journal* recently reported that the federal government has assessed \$4.21 billion in fines, settlements, and restitution payment from its health care investigations in the last three fiscal years—well over the \$3.29 billion it collected in the prior ten years combined, according to the Department of Health and Human Services Office of Inspector General ("OIG").

Enforcement actions have clearly increased, with the number of federal criminal prosecutions of health care companies and workers increasing 34% in 2002, nearly double the number ten years earlier. Congress has more than *tripled* the budget for Medicare and Medicaid fraud enforcement at the OIG, and nearly doubled the budget for the same type of work by the FBI. (*Wall Street Journal*, August 18, 2003, page B1).

#### Am balance Services (and Fire Departments) Not Immune!

Am balance services are not immune to the scrutiny of federal investigators and the recent heightened investigations of suspected fraud since am balance services participate in the same federal and state health care programs (Medicare, Medicaid) as do other health care organizations. And this government reach extends to fire department based am balance services operated by local government. Local government immunity won't protect your service in these cases, though enforcement against government-run am balance services has been less frequent than with private providers.

#### The Discounting Dilemma

The AKS prohibits any knowing or willful solicitation or receipt of ANY remuneration (including kickbacks, bribe, or rebate) directly or indirectly, in cash or in kind, in return for referrals of services reimbursable by any federal health care program like Medicare. Discounting am balance services to a nursing facility that must pay for some of that service on its own,

in return for getting the rest of the good Part B billable ambulance work from that facility can implicate the AKS. It's conferring a benefit (cost savings to the facility) in return for referral of federal health care business to the ambulance service that the service can bill at higher rates.

The penalties for violating the AKS are steep which makes discounting a big concern. Criminal penalties, hefty fines and civil monetary penalties can add up to thousands of dollars just for one violation. A conviction under the AKS is grounds for automatic exclusion from any federally funded healthcare program—the ultimate death knell for an ambulance service. In the ambulance industry, the OIG has indicated that discounting situations may raise a "red flag" for investigators searching for AKS violations.

Several recent investigations and law suits in Texas and Illinois have focused on deep discounts that am balance services provided to facilities that also was the source of referral for Part B trips billable by the ambulance service.

#### How "Low Can We Go?"

The OIG is careful not to provide a "bright line" standard to follow. We wish they would! So the question becomes how much of a discount can you give? The answer is: It depends! It depends on whether you can document cost savings and efficiencies that justify the discount. It depends on what the fair market value for am balance service is in your community, and other factors. Generally speaking, we suggest that discounted rates be as close the Medicare allowable as possible. Any reduction in price below that requires close scrutiny.

#### Steps to Avoid Liability

Let's face it, no one wants to be on the OIG's radar screen, so what can an ambulance service do to avoid this? First, make sure that any discounted arrangements are not tied to any referrals of other federally funded healthcare business. Ask yourself, "Would I give the same rate to an entity that doesn't refer Part B business to us?" If you answer is "no" then the arrangement could violate the AKS.

Second, be sure that the discounted price represents the fair market value of the transport. In other words, treat facilities with similar volumes of business the same. Third, the charges should not be below your costs for providing the services. Lastly, be sure that the discount you are offering is not too far below your Medicare Part B allowable. Deep discounts are a major red flag for the OIG.

(continued page 4—see Kickbacks & discounts)

# H O T T O P I C S I N E M S L A W

AccuMed Billing, Inc. along with Page, Wolfberg and Wirth, LLC. And The Michigan Associations of Fire Chiefs, and the Southeastern Michigan Association of Fire Chiefs

Present:

“Hot Topics in EMS Law, including Making Documentation and Technology work for you.”

This is an interactive one day seminar with Steve Wirth, Attorney with Page, Wolfberg and Wirth, LLC. The Nation’s Leading EMS, Ambulance and Medical Transportation Industry Law Firm.

This seminar is **FREE** for the Michigan Association of Fire Chiefs Members, AccuMed Clients and Southeastern Michigan Association of Fire Chiefs. Space is limited so make your reservations early. There is no charge for one member of each Client’s organization or Fire Department. For each additional staff member there is a \$50 fee.

Non AccuMed Clients and additional members of the Michigan Association of Fire Chiefs, Southeastern Michigan Association of Fire Chiefs are welcome for a \$50 fee.

**DATE: May 26, 2004**

**Location: The Summit on the Park  
4600 Summit Parkway  
Canton, MI 48188-1699**

Lunch and a Continental Breakfast is provided.

**For additional information, Contact Mike Todd at 800.926.6985 ext. 220 for additional information.**

**Don’t Miss this Important Opportunity!**

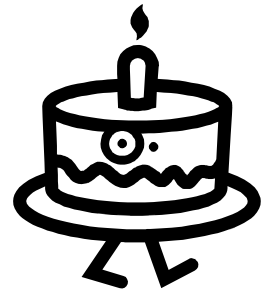


## HIPAA Privacy Requirement Turns One How to Celebrate

April 14, 2003-A day that impacted all covered health providers including EMS transport providers. Assessments were made, privacy rules and practices put in place, privacy officers appointed, notice of privacy practices published and delivered to patients. Phew! Glad that’s done.....Wrong! We all need to make sure all new

employees are trained, a bi-annual check of how the procedures are working is a good idea-Celebrate the First Anniversary with a check up. Perhaps, have the staff receive a refresher course. Also, complaints can come from outside or inside your department. Employees and Volunteer members should have a ‘safe’ way to bring a complaint. No

reprisals or negative impact should be placed on any staff member who reports a potential violation. If you have not yet met the requirements for HIPAA-your organization is at risk for fines and other penalties. Don’t delay this matter any further. Contact Jan at AccuMed 800-926-6985 for resources and referrals to assist you. HIPAA Help is Available.



HIPAA PRIVACY REQUIREMENT  
ONE YEAR OLD APRIL 14, 2004

## ARE YOU RECEIVING NOTICES FROM MEDICARE, MEDICAID, BLUE CROSS? DON'T THROW AWAY... ..SEND OUR WAY!!

There are some notices that are sent directly to ambulance suppliers due to rules and requirements. However, the information is often something that we at AccuMed need to know as your billing service. Please do not discard without

checking with our staff.

Examples are Medicare requests for additional information on a claim or a notice that your PO Box has expired. The information may be vitally important and affect payment status. So, *please* check with us or fax to Jan T.

in client relations (734-479-6319) so we can address any

remittance matters promptly. Your cooperation is greatly appreciated.





#### Administrative Staff Directory

##### General Phone Number

Toll-Free

800.926.6985

734-479-6300

Fax: 734-479-6319

Michelle Leonard, President

Extension 203

michelle@accumedbilling.com

Ned Suddendorf, Vice President

Extension 215

ned@accumedbilling.com

Teri Smith, Operations Manager

Extension 222

teri@accumedbilling.com

Jan Tjernlund, Client Relations

Extension 207

jant@accumedbilling.com

Mike Todd, Client Development

Extension 220

mike@accumedbilling.com

Lisa Osorio, National Patient

Accounts

Extension 213

lisao@accumedbilling.com

Jan Zmijewski, Account Receivable,

Reports

Extension 201

janz@accumedbilling.com

Lisa Walsh, Account Inquiries,

Collections

Extension 212

lisaw@accumedbilling.com

Barbara Hill, Coding, Documentation

Extension 223

BarbaraH@accumedbilling.com

Hours

8:00 am– 5:00 pm

EST

Monday –Friday

#### **(Kickbacks and discounts, cont from page 2)**

And as with any business decision, you should consult an attorney knowledgeable in health law before entering into any discount arrangement, particularly those with facilities that refer Part B billable trips to your department. The key to avoiding claims of fraud or abusive billing practices is to prevent the potential for fraud in the first place, and to have a system in place that promotes early detection of potentially fraudulent practices—like illegal discounts.

**Steve Wirth** and **Doug Wolfberg** are founding partners of Page, Wolfberg & Wirth, LLC, a national law firm representing the EMS and medical transportation industry. They are also principals in the medical transportation consulting firm of PWW Consulting, Inc. They can be reached at 717-691-0100 or by e-mail at swirth@pwwemslaw.com or dwolfberg@pwwemslaw.com.

Visit the firm's web site at [www.pwwemslaw.com](http://www.pwwemslaw.com) for information on the Spring 2004 EMS Law Audioconference Series and the new must-have manual for EMS, "Better Billing: The Ambulance Service Model Compliance Plan."

**DISCLAIMER: This article should not be relied on as a legal opinion of the authors or the publisher and should not be a substitute for legal advice. It is simply designed to convey general information about current developments in the law.**

[Copyright 2004 Page, Wolfberg & Wirth, LLC All Rights Reserved

Permission granted by the authors for publication in the AccuMed Billing New sletter, The Siren.]



### **About AccuMed Billing, Inc.**

AccuMed is in its 15 year of operation, providing emergency transport billing services to municipal fire departments and ambulance services nationwide. Compliance with local, State and Federal regulating authorities is one of our primary principles. Our record of zero (0%) in billing violations is a record that has served our clients well. In addition to billing for EMS Services, AccuMed can provide billing services for non-EMS related services relating to Motor Vehicle Accidents, Fire and Hazardous Materials.

Our state of the art software is specifically designed for the EMS industry and we are dedicated to keeping up with the technological advances and challenges of increased regulation.

If you would like to know more about AccuMed Billing, Inc. and how we can serve your organization; please contact Mike Todd at 800.926.6985 ext. 220 for further information and a free and confidential evaluative forecast.

The Siren is a publication of AccuMed Billing, Inc. If there is a subject or information that you would like in future publications, call Jan at 800-926-6985 ext. 207.