

Non-Emergency Ambulance Providers Under Increased Scrutiny From Federal Government

This week, the [Houston Chronicle](#) investigated the seedy underbelly of the medical transportation industry in Houston, Texas. In what should not come as a surprise, the investigation found unprecedented levels of fraud and abuse.

Between 2005 and 2010, CMS paid private ambulance companies in Harris County Texas approximately \$466 million. To put the sheer amount of abuse by unscrupulous providers into perspective, in 2009, CMS paid \$9 million for ambulance services in New York City. In contrast, CMS paid \$62 million for the same services in Harris County . It should be noted that the population of Harris County is not even half of New York City's population.

While medical transportation has always been a practice area believed to be at risk for fraud, legitimate ambulance providers should brace themselves for even more scrutiny from the federal government in response to this sensational article. Time and time again, the federal government has demonstrated that its methods to fight fraud and abuse are reactive rather than preventative. In light of this well publicized article, providers should expect a new wave of enforcement by the federal government.

In our experience, we have learned the following billing practices are red flags that might trigger a postpayment audit or a "random" selection for prepayment review:

1. Repetitive non-emergency transportations to dialysis centers and other outpatient clinics.
2. A large number of patients being picked up at the same skilled nursing facility.
3. An abnormally large claim volume for the geographic region, especially claims for dialysis transports and advanced life support runs.

In order to avoid an ongoing relationship with a Program Safeguard Contractor, providers should review their records to make sure there that all runs were documented and physician certifications were signed and renewed on time. While it is a challenge, providers should work with physicians to ensure that the physician provides enough clinical evidence in his certification to establish the medical necessity of the non-emergency transportation. In our experience, physician certifications with only boxes and checkmarks are generally problematic. Further, providers should educate their employees about how to determine whether a non-emergency transportation request is appropriate. Not every patient qualifies for non-emergency transportation services. Dispatchers must be able to differentiate between a medically necessary and non-medically necessary transportation request.

In Los Angeles alone, we have seen numerous ambulance transportation companies, including well-established ones, have their businesses destroyed by a prepayment review. While prepayment review is supposed to be focused on giving providers education, in practice, prepayment review is a means of forcing undesirable providers out of business. In this time of economic hardship, the name of the game for CMS is finding a way out of paying providers. In order to stay competitive and survive in this atmosphere, providers must take preventative action to ensure their claims will be paid if faced with prepayment review selection audit or a postpayment review audit.

Nelson Hardiman has counseled several ambulance companies on compliance matters. We have established and implemented compliance plans, drafted custom physician certifications that have been approved by Safeguard Services, a CMS Program Safeguard Contractor, and have audited charts from ambulance runs for compliance with coverage guidelines. If you are an ambulance provider who would like a consultation, please contact Aaron Lachant at aaron@nelsonhardiman.com.