

**ESTABLISHING AN AMBULANCE  
TRANSPORT BILLING PROGRAM**

**ARE INSTRUCTIONS and GUIDELINES NECESSARY?**

**BY: Greg Connors, Battalion Chief  
Beavercreek Fire Department  
Beavercreek, Ohio**

**An applied research project submitted to the Ohio Fire Executive Program**

**May 2002**

## ABSTRACT

Fire departments across the nation are confronted with the same dilemma that our fire department experienced when we established our ambulance transport-billing program, no set start-up guideline to follow. If fire departments do not want to lose the support of their citizens, this transport-billing program needs to be done correctly the first time. In order for that to happen, fire departments need some sort of guide or procedure to follow.

The purpose of this research project was to develop a national recognized guideline for fire chiefs to follow when establishing an ambulance transport-billing program. A survey of the public and fire department members was conducted. Descriptive and evaluative research was used to answer the following research questions:

1. Is it important and beneficial to have a uniform checklist to follow when starting this type of program?
2. How do you educate the public and members of your fire department about ambulance transport billing?
3. Is it feasible for a fire department to bill and collect on their own, or do they need to hire an outside third-party biller to the billing and collections?
4. How does a fire department select a third-party biller, what criteria do they need to meet, and where can be found?

A far-reaching and extensive literature review was performed. Two surveys were also performed to verify the need for educating the public on the aspects of ambulance

transport billing. Surveys designed for residents of Beavercreek were used because they were the most suitable means for analyzing the opinions and feelings of the general public of Beavercreek. Since billing for ambulance transports is fairly new, not a lot of information was available out there. Information acquired came from fire and emergency medical service journals, results from two 10-question surveys, and resource books. Additional information came from the author's own experience on billing for ambulance transports.

The results and findings of this research project without a doubt have answered the research questions. There is a big need for a documented guideline or procedure to follow when starting a program of billing for ambulance transports. Fire departments, historically and also traditionally, have learned, taught and followed by the result of set procedures and guidelines. Educating the public prior to starting one of these programs is also a high priority. Fire chiefs around the United States will be able to use this start-up guide to implement this billing program and reduce the amount of public objection at the same time.

## TABLE OF CONTENTS

	<b>PAGE</b>
Abstract.....	2
Table of Contents .....	4
Introduction .....	5
Background and Significance .....	6
Literature Review .....	10
Procedures .....	17
Results .....	19
Discussion .....	26
Recommendation .....	28
References .....	32
Appendix A (Blank Citizen Survey) .....	34
Appendix B (Blank Member Survey) .....	35
Appendix C (Results of Citizen Survey Question # 8) .....	36
Appendix D (Results of Citizen Survey Question # 6) .....	37
Appendix E (Results of Citizen Survey Question # 7) .....	38
Appendix F (Results of Citizen Survey Question # 5) .....	39
Appendix G (Results of Citizen Survey Question # 10) .....	40
Appendix H (Results of Member Survey Question # 5) .....	41
Appendix I (Results of Member Survey Question # 6) .....	42
Appendix J (Results of Member Survey Question # 10) .....	43

## INTRODUCTION

The Beavercreek Fire Department along with thousands of other fire departments across the United States has realized the need to secure additional revenue to fund the operation of their fire departments. For fire chiefs and fire departments to survive, finding this additional money has been a complicated and complex task. Besides increasing taxes of their jurisdiction, establishing an ambulance users fee program has become a more reasonable and realistic option.

The Beavercreek Fire Department has aggressively and continuously monitored its financial status, but with an increase in emergency medical runs, a shrinking tax revenue, pressure from the city fathers of doing more with less money, and the need for additional fire personnel, fire departments have become more receptive to billing for emergency medical transports. The user fee concept has started to gain momentum across the nation. Approximately 33% of the people transported by ambulance in the city of Beavercreek do not pay property taxes in which supports the operation of the fire department.

There is no uniform, standard guideline or procedure that fire department can follow when implementing an ambulance users fee program. The chief purpose of this research project has been to develop a thorough, straightforward checklist that chief fire officers can adhere to when starting a billing and collection program for ambulance transports. The problem of not having a procedure or checklist was pretty apparent from the initial stages for our department. We did our best but we missed several important steps.

Chief fire officers are being told to get these programs up and running with fewest amounts of problems, but they have nothing to follow or to help guide them. Insurance companies and the government are the ones who reap the money when fire departments don't bill for this type of service. Fire departments are starting to understand and realize the wealth of money that can be collected from transport billing, but they are still a little apprehensive of tackling this program because it's fairly new and they have nothing to follow to implement it. Descriptive and evaluative research was used to answer the following research questions:

1. Is it important and beneficial to have a uniform checklist to follow when starting a new ambulance transport-billing program?
2. How do you educate the public and members of your department about ambulance transport billing?
3. Is it feasible for a fire department to bill and collect on their own, or do they need to hire an outside third-party biller to do the work?
4. How does a fire department select a third-party biller, what criteria do they need to meet, and where can they be found?

## **BACKGROUND AND SIGNIFIANCE**

Fire departments today need to be creative with ways of achieving revenue compared to years ago. Fire departments are competing against the local school system,

police departments, health departments, and road departments for tax or levy increases. The general public can only support so many tax increases before they start voting against all increase request. A majority of the nations fire departments rely on the voting public and tax money to fund their departments.

Beavercreek Township is located in southwest Ohio, between the cities of Dayton and Xenia. The population for the township is approximately 42,000 people and takes in 52 square miles of area. The northern region of the township is commercially developed. That area contains a regional mall with five anchor stores and six smaller strip shopping centers. Two major highways go directly through the township with thousands of cars and trucks traveling it daily. During the past five years, both commercial and residential construction has reached its all time peak in Beavercreek Township. New developments are popping up all along these interstates.

With the increase in construction and developments, more people are now living and visiting Beavercreek Township then ever before. The emergency run activity for the Beavercreek Fire Department has steadily increased with time and also with the influx of commercial and residential developments. To keep up with the pace of growth and an increase in population, Beavercreek Fire Department needs to hire additional personnel to staff additional fire and EMS apparatus. The emergency medical runs have increased yearly an average of 10% over the past five years.

Approximately 50% of the fire departments in the Miami Valley region (area around Dayton, Ohio) have been billing for ambulance transports for several years. The

Beavercreek Fire Department and the Trustee's of Beavercreek Township in January of year 2001 publicly voted on, to start up a program to bill for all ambulance transports. The fire department and the trustees at that time also decided to go out and hire a commercial third-party billing company to do the billing and collections. The fire department ran a copy of articles in two of the local newspapers, met with the senior citizens, and answered a few telephone questions and that was the extent of the public notification of our new billing program.

After the decision to bill for ambulance transports are next adventure was to select a third-party billing agency and how to educate the citizens in regards to ambulance billing. From this point on, everything became a nightmare for the department and myself. At that time the author was the Administrative Battalion Chief and the fire chief assigned this project to him. Not having a clear understanding on how to pick a third-party biller and how to properly notify and educate the citizens of Beavercreek and its department members, the next few months were very confusing and baffling.

Fire departments in our area that have been billing for some time experienced the same problems, the same confusion, and the same frustration that we faced when we attempted to initiate our new billing program. Each time a fire department sets up an ambulance billing program, they maneuver themselves through a bombardment of political, public, and internal questions before they even collect their first dollar. A lot of times the departments don't have the answers to these questions because they have nothing to follow or assist them because this is a fairly new quest. With a procedure or checklist to follow, a majority of the concerns would be addressed in the early stages.



Fire departments must be up front with its citizens, city fathers, and department members for the true reason why transport billing must take place. It is extremely important and necessary also to educate the same above group with all of the essential information regarding transport billing. This phase of the project should take the most time to complete. By picking a good and reliable third-party biller, they should be able to assist any fire department in accomplishing this phase of the project. When Beavercreek Fire Department attempted to launch this phase, we were by our self. The third-party biller, who the fire chief picked, had no ideal of how to help us in educating the public, city fathers, and department members.

With the creation of a procedure or a start-up checklist for implementing a billing program for ambulance transports, future fire departments desiring to start charging for transport services will not experience the timely delays, the unanswered questions, the Medicare chaos, the concerns and complaints from the citizens and department members and the problems of selecting a third-party biller that the Beavercreek Fire Department encountered when we started their billing program, which included several problems and headaches. Our fire department will not benefit from the establishment of this checklist, but future interested fire departments will benefit tremendously from it.

Fire departments in the years past have relied on tax money to fund their departments. Despite this new billing attraction, many fire departments are still nervous about venturing into charging for ambulance transports. Money can be collected to support and fund the Emergency Medical Services of a fire department if done correctly from the beginning. This checklist will guide chief fire officers through the intimidating

steps of establishing a billing program with the least headaches and roadblocks. This research is expected to allow the author to develop this needed checklist so fire departments can use in the future.

## **LITERATURE REVIEW**

In reviewing information and data pertaining to this topic of implementing a billing program for ambulance transports, it was very apparent that numerous fire departments and ambulance services have had the same need for an implementation checklist. Through this research and literature review, no formal implementation checklist has been found out there available for use by fire departments. While not new to fire departments and ambulance services, the concept of billing for ambulance transports has not received abundant publications in fire and emergency medical resource material.

Various authors and management books have mentioned specific items or elements that should be included in the billing program to make it successfully and legal, but for a complete standard checklist, there's none at there. Perhaps the most important and most stressed issue that needs to be completed or answered before a billing program is implemented, is having a clear and complete understanding of what's going to be expected from the fire department and its governmental agency (Scott A, 2001). The fire departments political leaders and all of the fire department personnel must be educated on all aspects of the billing program (Lawrence, 2000, p.1-4). The citizens of your jurisdiction also need to be well informed and knowledgeable on the phases of billing for ambulance transports.

The billing program needs to be promoted and well advertised before starting it, and the decision to initiate it could be highly politicized (Crosley, 1999). The book “EMS Management – Beyond The Street”, (Fitch Keller, Raynor Zalar, 1993) recommends holding public meetings with your citizens of your jurisdiction to explain the program and answer public questions. This is where you answer the billing questions not at the scene of an emergency. You need to develop solid community support for the program to survive. Without the support of your community, it’s a losing battle.

According to Tom Scott, a well-known authority and consultant on ambulance billing, he states, “That a lack of communication between the fire departments and their third-party commercial billing companies results in billing snafus and financial woes”. In a particular incident, a fire department from Lincoln (Neb.) and their billing service provider (Healthcare Management Solutions) both were not clear of their responsibilities and what was expected from each other. This lack of communication resulted in a severe reduction in generated revenue and inadequate filing of information. Communications and timing are the ingredients to success. Everybody wants to start billing right away without proper understanding of what has to be done. Since there are no instructions on how to establish an ambulance-billing program, these hardships will continue.

Billing for ambulance transports has to be systematic, thorough, complete, and efficient (Scott B, 2001). If billing procedures are done improper and incorrect, it could result in violating federal laws according to the law firm of Page Wolfberg Wirth, Attorneys and Counselors at Law, who represents EMS organizations and medical transportation providers regarding billing and reimbursement practices and policies (Page

Wolfberg Wirth, 2001). Everybody needs to understand that fire chiefs and public officials are not immune from criminal and civil prosecution if patient transport billing is done improperly.

In the early planning stages, the fire department officials and their governmental leaders must decide on several important issues up front in regards to ambulance billing. According to EMS Management – Beyond The Street, “ many ambulance services base their transport charges on the amount that they expect to be reimbursed by Medicare, and other departments have simply followed the price structure of other services within the area”. That’s one of the first major decisions to make, how much to charge? Another key decision for the governmental leaders and fire department officials to decide on is, who’s going to do the billing and collection, the fire department themselves or a commercial third party biller (Ludwig A, 1999). With the ever-changing laws of Medicare and patient privacy issues, fire departments nowadays are leaning toward hiring an outside billing company to do the work for them. Most outside billing companies receive 10% of the collected revenue for their services (EMS Best practices, 1998).

Presently there are 20,000 ambulance providers in the United States. Approximately 50% or 10,000 providers presently bill Medicare for ambulance transports (JEMS Communications 2001). This means that roughly one-half of the transport providers of ambulance services within the United States do not bill and collect for transport services. According to Gary Ludwig in the March 1999 issue of Firehouse Magazine, he states, “A fire department that does not bill a medical insurance company for ambulance transports is only making the insurance company richer.” It is a fact that

most health insurance policies cover and pay for ambulance transports. If the ambulance providers are doing the transports, why not reimburse them for their services. It makes good economic sense to collect these benefits and not just give them away. 40% of Beavercreek's population (17,000 people) did not know their health insurance plan covered charges for ambulance transports.

The key reason why fire departments and ambulance service providers do not establish billing programs for ambulance transports is because they do not want to upset and confuse their already tax-paying citizens. The real explanation should say they don't know where to start and how to do it without losing the support of their voters. In an article called EMS User fees by Stan Crosley he mentions, "EMS user fees have the potential for generating significant revenue, however, instituting it is not without risk". He goes on to say the criticism will be high when starting the user fee program. It all goes back to educating your citizens properly. Communicating with your citizens early in the preliminary phase, will extinguish a lot of the worries, fears and uneasiness.

In an article by Leslea Adams in the February 2000 issue of Fire Chief magazine, (Adams, 2000, p.1) she portrays a situation that was identical to our fire department when we implemented our billing program. The elected officials voted on the proposal to start the transport-billing program, they passed it onto the fire chief who then gave the billing plan to me, the Administrative Chief at that time. I was in favor of starting this program because I knew the voters of Beavercreek were frustrated at paying for additional tax levies but I had no idea of where to start. Her article describes the fire chief trying to locate directions on how to set up a program also. Again, it can be said that with a set of

instructions or guidelines, this procedure of establishing a transport-billing program can be made a great deal easier.

With nearly 2.5 billion dollars set aside for Medicare ambulance transport reimbursement by the federal government each year (Krakeel, 1999, p.2), you can see why Beavercreek wanted to start this billing program. In Beavercreek, Medicare covers 17% of our population and Medicaid covers 2%. That represents a total of 8,000 residents. Beavercreek does not want to make a profit in this program, just help offset the cost of providing emergency medical services. These costs will be passed on to the end user, the people who use the services. You don't use it you don't pay for it.

Another exceptional resource that was utilized was a worldwide web publication that is strictly dedicated for emergency responders called MERGINET NEWS. At this web site [www.merginet.com](http://www.merginet.com), I joined this informational forum/web round table that dealt with ambulance billing and collection services. This open forum is free to anyone interested in joining. The site contained some information that pertained to establishing a program for ambulance transport billing but it was not complete. The site is named **Ambulance Billing and Reimbursement Discussion**. The goal of this group is to promote education to chief fire officials, EMS managers, and billing personnel when dealing with billing and reimbursement for ambulance transports.

Potential reimbursement for ambulance transports basically depends on the patient mix, which is the patient's payment source. They include commercial insurance (Blue Cross/Blue Shield, Aetna), Medicare, Medicaid, Workers Compensation, and

private pay (EMS Management Beyond The Street, 1993). Most ambulance services have established a two level billing standard, Advanced Life Support (ALS) and Basic Life Support (BLS). Depending on the level of emergency care provided, the patient is charged either with the ALS rate or BLS rate. Medicare and Medicaid are pretty particular with the different types of treatment offered versus the amount charged and paid. Some form of health and/or accident insurance covers more than 80 % of all citizens (Ludwig B, 2000). In Beavercreek, some form of commercial health insurance covers 80% of its citizens, which represents 33,600 people. So with these figures it is very apparent that if done correctly, ambulance billing can and will generate additional revenue for the fire department or ambulance service (Fitch, 1995).

Selling the transport-billing program is an essential part of the proposal. You have market the plan to the required stakeholders (elected officials, citizens, and the transport users). Besides the immediate stakeholders, the members of your fire department or ambulance service need to be aware the program and they also need to buy into the decision of implementing it. Without the support from the above people the program will perish. In an article from the November 1998 issue of EMS BEST PRACTICES, the author states, “ This sales pitch requires a multi-faceted effort, including direct discussions with the citizens, direct mail campaigns (Dear Citizen letters), and courting of the local media.

All chief fire officers or ambulance service managers that are delegated with the job of implementing the billing program want to do it right the first time. This involves “**Time**”. Tom Scott of the MERIGNET Advisory Board states “The smart manager will

take the time to thoroughly investigate the pros and cons and gather the necessary data for the policy-makers to assure that the outcome is positive and the surprises are minimized". Your citizens do not want to be surprised of any billing showing up at their house, they prefer to be informed up front.

Another large task that must be decided early is, who's doing the billing. One of the biggest reasons why fire departments and ambulance services hire outside third-party biller's to do the billing and collecting is to prevent fire departments from falling into cases of fraud, abuse, and kickbacks (Wolfberg, 2001). The billing companies are the specialists in this line of business, so why not hire them and use them to do the job (Scott C, 2001). This should keep the ambulance providers and fire departments away from the legal billing pitfalls and letting them focus on saving lives (Nation's Cities Weekly, 1999). In a rush to reduce budget deficits by billing Medicare and other third-party payers, many fire departments are overlooking rules and regulations of Medicare. If caught, fire departments could receive steep penalties including both civil and criminal violations for abusing these rules (Prehospital Care Administration, 1995).

In Brownsville, Texas, a local fire department instead of hiring an outside professional billing company decided to bill on their own. The in-house training they received for their new ambulance billing computer program was questionable per the newspaper article. The inadequate training resulted in the fire department losing about one million dollars in revenue. The training for the new billing program was performed during work hours while the employees were still doing their original jobs. The fire



department attempted to rush the process and not take time to correctly educate their workers (Brownsville Herald, 2001).

In closing, the assessed literature identifies significant areas of concern that should be included in a checklist or set of instructions for implementing a well thought-out and efficient ambulance transport-billing program. These documented areas of interest and concern will assist fire departments and ambulance service providers in creating the groundwork for establishment of an effective billing and collection program. Regardless of the type of organization, it is essential to recover as much revenue as possible from all third-party payers and outside sources in order to support Emergency Medical Service activities (Lawrence, 2000). The organization that builds a complete and first-class billing and collection program will be able to capture the crucial costs of providing emergency medical services (Prehospital Care Administration 1995).

## **PROCEDURES**

The purpose of this applied research project was to develop a nationally recognized guideline or procedure to aid and assist fire departments with implementing a billing program for ambulance transports. Descriptive and evaluative research was employed to help direct the research project to locate solutions to the research questions. Information provided by various fire and EMS management books, articles in trade fire and EMS magazines, author's personal experience, and previous National Fire Academy Executive Fire Officer projects were evaluated for information and statistics relating to this billing project. Only information that was current was used.

Two written surveys were created and distributed (Appendix A, B), one to the members of the fire department and the second one to the citizens of Beavercreek. The department survey was given to all the members of the department. The citizen survey, participants were selected at random. Each survey consisted of ten unanswered questions dealing with information relating to ambulance transport billing. The age of the citizens surveyed ranged from 18 to 90 years old. The method utilized to collect the survey data was the interview style. The reason for interview method was to obtain the highest response rate as possible and to have it be the most valid.

A total of 395 citizen surveys were completed by the interview method. The surveys were presented during the months of September 2001 through December 2001. The surveys were distributed during the annual Beavercreek Popcorn Festival, Fire Department Open House, and monthly meetings of two civic groups of Beavercreek. The purpose of the citizen survey was to research and measure to see if minimal public notification and education contributed to the low number of citizens of Beavercreek of being aware of the ambulance transport user fee. Data information was assembled from the survey and used to answer specific research questions. Results of the survey questions are contained in Appendix C, D, E, F, and G.

Beavercreek Fire Department members were also given a survey to complete. 75 surveys were distributed and 60 were returned resulting in an 80% return rate. This survey was also handed out during the same months as the citizen surveys. The purpose of the member survey was to measure how well they were informed and educated on the billing aspects. Also obtained through the member survey was any feedback received

from the patients/citizens about our billing program. Information collected will also be utilized to solve particular research questions. Outcome of the survey questions can be located in Appendix H, I and J.

Nobody was forced to answer the survey questions; this was done to prevent intimidation and erroneous responses. The citizen survey was concentrated specifically for Beaver Creek citizens. This would eliminate undesirable and unwanted responses. By using the interview survey method, the author was clear on the reason and purpose of the project. Instructions for answering the survey were understandable and to the point. Survey sample size was estimated on Beaver Creek's present population. Follow-up questions were permitted and respondents were encouraged to truthfully answer the questions. A combination of open-ended and closed-ended questions was used.

## **RESULTS**

The results of the literature review, as well as the results from the two surveys, and the personal experience of the author were used to answer research questions.

- *Is it important and beneficial to have a uniform checklist or instructions to follow when starting an ambulance transport-billing program?*

Fire departments and ambulance service providers, who attempt to establish billing programs with little or no knowledge should be prepared for a long battle. Without guidelines or instructions, necessary steps could be missed or overlooked that could result in delays and even possible public uproar. Failure to properly notify your citizens about the billing program will cause outcry from your voters who support your fire department.

In Beavercreek, 57% of the citizens were unaware of that Beavercreek already started a billing and collection program. This could have been eliminated if more time was spent on notifying and educating its residents. This procedure would be one of the first steps on a standard implementation guideline.

Historically, fire departments have followed guidelines and instructions to do just about everything. We have learned how to do CPR from instructions, we have learned how to put on fire gear from instructions, and nowadays we've learned how to protect ourselves from infectious diseases by following recommended guidelines. One can see by establishing a standard guideline for implementing an ambulance transport-billing program, the chances of failure or rejection will be reduced.

Like Tom Scott mentioned, "The smart manager will take the time to thoroughly investigate the pros and cons and gather the necessary data for the policy-makers to assure a positive outcome". There are too many required and essential steps that need to be completed to make it right the first time. The longer it takes to implement the program, the longer it will be before the fire department realizes potential revenue. The checklist or instructions would include all necessary steps for a successful program start-up.

- *How do you educate the public and members of your department about ambulance transport billing?*

First and foremost, you tell everybody the truth, tell the citizens and your members the exact reasons why a billing program needs to be started. The cost of running a fire department has been and will continue to outpace the amount of received revenue. Fire departments are being told by their elected officials to do more with fewer funds. To

increase the revenue of a fire department, you only have two logical choices, ask for more money through taxes or start charging a users fee for ambulance transports. By showing the stakeholders (your citizens, elected officials, department members) the financial numbers of running your department, they will better understand the reasons.

Set up necessary town meetings to discuss the aspects of the billing program with your residents. Explain to them that according to our collected data that roughly 33% of all our transports do not pay taxes in Beavercreek. This means that they are getting a free ride to the hospitals. With the use of an ambulance users fee, only those people who utilize the services of the ambulance for transport to a hospital would be billed. Advise them how the billing process would function in your town. Majority of all fire departments that bill for this type of service, bill with a soft billing approach. This means if you can't afford to pay the bill, the fire department will not take you to a collection agency, the bill is just dropped.

By putting important information in the newspapers, on local televisions, and by sending out flyers to all the residents, vital information would be available to inform and educate your citizens. 40% of the citizens in Beavercreek were unaware that their health insurance policies cover fees for ambulance transports. By explaining to them that these programs are designed to go after the insurance companies and Medicare. According to Gary Ludwig, "A fire department that does not bill a medical insurance company is only making the insurance company a little richer". If anybody is going to receive revenue it should be the department that is doing the transport.

You need to sell the program also to your members of your fire department or ambulance service. They need to understand the importance of this billing program and be able to explain it anybody who request information. Nothing looks worst to the public than asking somebody a question that involves their department and receiving an answer of “I don’t know”. Educating your members is also vital to the success of the program. Additional information needs to be collected to assist in the proper process of billing. They need to be aware what additional information is necessary and this is accomplished during the educating process.

- *Is it feasible for a fire department to bill and collect on their own, or do they need to hire an outside third-party biller to do the work?*

With today’s ever changing laws involving Medicare, patients privacy, and federal fraud and kickback issues, a good number of fire departments opt not to do the billing themselves. Fire departments and ambulance services go out and hire an outside commercial third-party billing company to do the task of billing and collecting.

Like earlier stated, this commercial third-party biller collects approximately 10% of the funds collected. With Beavercreek Fire Department, it is estimated that the fire department will collect roughly 1.5 million dollars in revenue in its first year of billing.

This would mean that the billing company would invoice the fire department for \$150,000.00.

In Beavercreek last year (2001), the fire department transported nearly 4,200 patients to area hospitals for emergency treatment. If the fire department decided to bill on their own they would have to hire three to four additional personnel to the job correctly. Additionally, the fire department would have to train the individuals who do the billing, additional equipment and computer programs would have to be purchased, and several compliance programs would have to be initiated to prevent the fire department from getting into trouble with the federal government.

After all these measures, one can see why hiring a company who specializes in billing and collection is the best and smart choice. Like Tom Scott acknowledged, “Ambulance billing professionals are like other professionals. They learn the rules and regulations to do their job, but they also figure out little ways to improve their personal and organizational performance”. Today you need a dedicated staff and information system to bill well.

- *How does a fire department select a third-party biller, what criteria do they need to meet, and where can they be found?*

When ambulance billing first started, the procedure consisted of creating a written bill and mailing it to the patient with the hopes of them paying it. In the past years, this process has become a more complex procedure because of the involvement of the federal government.

Fire departments need to become aware and have an understanding of certain criteria that must be met before choosing an outside third-party biller. The third-party biller will become the backbone of your ambulance-billing program. When they fail to do their job, it affects your department or service and will also have an effect on your potential collected revenue.

The main concern is that the desired billing company's primary function shall be billing for ambulance transports. Billing for ambulance transports should not be businesses secondary business task. Additional concerns should include that the billing company has been in business for at least five years. Your fire department should not be the billing company's first client. They should have a list of references of at least 10 or more fire departments or ambulance services. Contact should be made with these departments to check on the reliability, performance, and commitment of the billing company.



Below is a billing company selection checklist that has been created from numerous sources that can be utilized in choosing a recognized professional third-party billing company.

<b>ISSUES</b>	<b>PRIORITY/IMPORTANCE</b>	<b>COMPLIANCE</b>
Experience – 5 years or more in the business of ambulance billing	High	
Client References – 10 or more departments or providers	High	
Billing Company & Medicare- no investigations conducted	High	
Billing Company employs a Compliance Officer	High	
Billing Company has internal audit system in place	High	
Follows OIG compliance guidelines	High	
Fees based on amount collected, not amount billed	High	
<b>NO</b> Hard Billing Tactics Involved	High	
Billing Company set up to handle our run load (employees)	High	
Will assist in educating the public about ambulance billing	High	
Qualified and trained employees	High	
Billing company set up receive EMS reports electronically	High	
Assist in training fire department personnel and staff	High	
Company & personnel are bonded	High	
Familiar w/ Medicare & Insurance paperwork	High	
Average collection rate comparable to national collection rate	High	
Submit monthly reports	High	
No change to department's daily EMS operations	Medium	
Courtesy calls to all patients	Medium	
Local Company (Dayton area)	Medium	
EMS run reports entered daily	Medium	

## DISCUSSION

The findings of this research point out that there is an immediate need for a checklist or set of instructions when starting up an ambulance-billing program. Fire departments cannot continue implementing billing programs without accepted guidelines to follow. Several authors from different literature sources mentioned the necessity of an implementation guide to follow. As of this writing, there is no such guideline or instructions available for fire departments or ambulance services to adhere to, but the appeal for one continues.

Results from the surveys also reinforce the need for this type of guideline to follow. Important steps in the start-up process will not be skipped with an available guide or instructions to follow. When over half of the population of Beavercreek (24,000) was not aware that the fire department is presently billing, an important public notification step was certainly missed or not done properly. The citizens of Beavercreek are the number stakeholders of this program, they should have been aware of the program and they should have been educated about the billing characteristics also.

After assisting with the start-up of Beavercreek's billing program and with **no** guidelines or instructions to follow, it is obvious now of where we made our mistakes. These mistakes could have been eliminated only if we knew what we were doing at that time. The administrative staff of Beavercreek Fire Department did the best they knew, help was requested but nothing was obtainable. Since the time this research project started (May 2001) more information has become more accessible on related billing issues and concerns. More fire departments are starting to consider the value of ambulance-transport billing.

Fire departments pride themselves on doing procedures correctly the first time. On some occasions there is not a second chance to do it right, so that's why the fire service upholds the attitude of doing it acceptable the first time. The fire service has thousands of manuals, instruction books, and procedures on dealing with just about everything. The author believes it's about time to add a new guide or set of instructions to its on-going list. You read the newspapers daily about cities and towns facing budget restrictions, budget cuts, and loss of additional revenue. Fire departments now must take into account that ambulance-transport billing is generating revenue for thousands of fire departments across the United States. If done right, it can help your fire department also.

Several cases have been documented where fire departments and ambulance service providers could have used a standard checklist or guideline for the start-up procedure of a billing program. The one incident that happened in Brownsville, Texas, where the fire department personnel were not trained properly resulted in the fire department losing roughly one million dollars (Brownsville Herald, 2001). This occasion reinforces that training your personnel is as important as notifying your citizens about the program.

The results of the internal (member) survey also support the need for a systematic and organized guideline and/or instructions to follow when establishing this type of program. The members felt the initial training was insufficient and inadequate, not enough time was spent training them on the new program, the new EMS report, nor was there any follow-up training conducted. With a standard guide to follow, more time would be spent training the crewmembers about the aspects of the billing program.

The set of instructions or guidelines need to include all aspects of the program, starting with the public notification and ending with the yearly program evaluation. Great care must be given to the development of these implementation instructions.

The results from both the citizen and member survey and information retrieved from the literature review support the author's belief that a set of instructions or an established guideline is of the utmost importance to fire departments or ambulance service providers who are planning to start billing programs in the future. The author recognizes the need for this set of instructions or guidelines. Ambulance-transport billing has become a leading issue with area fire departments.

### **RECOMMENDATION**

Based on this research project, it is recommended that a standard guideline or set of instructions be created for the implementation of billing programs for ambulance transports. The difficulty that was previously revealed was that Beavercreek Fire Department did not have any type of guideline or instructions to follow when they started their ambulance transport-billing program. The purpose of this research project was to develop a recognized set of instructions/guidelines to assist fire departments with the vigorous process of implementing a billing program for ambulance transports.

As indicated by the results of the literature review and the survey findings, fire departments and ambulance service providers have acknowledged the need for guidelines or start-up instructions when establishing a billing program for ambulance-transports. The following recommendation (start-up guideline) has been created to assist fire

departments, when initiating their own billing program for ambulance-transport. These recommendations are validated and supported by the data assembled for this project.

## **GUIDELINES FOR ESTABLISHING A AMBULANCE**

### **TRANSPORT BILLING PROGRAM**

1. Present plan to your government officials and seek their approval to proceed.
  - a. Explain reason why transport billing is needed in your department.
  - b. Explain the pros and cons of user fee billing program.
  - c. Advise them of the possible revenue that is available.
  - d. Educate them on the billing and collecting aspects of billing.
  - e. Obtain their commitment and backing.
  - f. Agree on the type of collection approach, soft or to the bill collector.
  - g. Decide on who's doing the billing/collecting. (Third-party)
  
2. Choose a third-party commercial billing company.
  - a. Submit Request for Proposal (RFP) to area third-party billing companies.
  - b. Refer to selection criteria list found on page 25 of this applied research report for selecting desired billing company.
  - c. Choose company to do your billing and collections.
  - d. Meet with billing company to explain department's expectations of them.
  - e. Start Medicare paperwork, billing company to assist FD with paperwork.
  - f. Establish banking institution for collections.
  
3. Notify and educate your citizens. **(VERY IMPORTANT STEP)**
  - a. Contact local newspapers for submission articles and interviews, several times.
  - b. Contact local TV stations and local government access television for airtime.
  - c. Develop a pamphlet or flyer explaining all aspects and concerns of the billing program and mail to **all** citizens of your town.
  - d. Set up several informational meetings with the senior citizen organizations, civic groups, community leaders, special organizations, nursing home facilities, and neighborhood watch groups. This step will be very time consuming; several different meetings with different dates and times need to be established.

- e. Encourage attendance at local governmental meeting to discuss the billing program with fire department officials.
  - f. Place information about the billing program on the fire department's computer web site. Have a location where they can ask questions about the program.
  - g. Encourage telephone calls to Fire Headquarters to answer citizen concerns.
4. Educate your members about the billing program.
- a. Explain the reason for initiating the billing program.
  - b. List the benefits of billing for ambulance-transport to your members.
  - c. Advise them on the characteristics and features of the program.
  - d. Explain how the billing/collection procedure works.
  - e. Go over what new information and data needs to be collected on the EMS run sheet.
  - f. Practice on the new type of EMS run sheet.
  - g. Explain to them about the billing pamphlet that is being distributed to the citizens.
  - h. Answer all questions and concerns from your members.
  - i. Advise your members that they are not the ones who answer the billing complaints.
  - j. Reinforce that their main job is still patient care, not an information recorder.
5. Establish fire department Policies & Procedures on billing program.
- a. Develop new EMS run sheet
  - b. Establish fire department point of contact with the third-party biller, one person who handles all concerns and questions with the company.
  - c. Set up electronic transfer of information and data to billing company.
  - d. Hire or designate data entry person for the fire department.
  - e. Have data entry specialist visit billing company's facility.
  - f. Train data entry specialist.
  - g. Establish a complaint procedure, billing complaints handled by third-party biller and patient complaints handled by Chief of EMS.
  - h. Set up special revenue fund (township clerk/city financial director) to receive patient or insurance payments.
  - i. Develop record-keeping system for monthly, quarterly, and yearly reports.
  - j. After first year of collecting, develop an operating budget, so EMS expenses can be deducted from the special ambulance-transport billing revenue fund. This fund can pay for any EMS related expense.

6. Yearly evaluation of billing/collecting program.
  - a. Review collection % with third-party billing company.
  - b. Evaluate performance of the billing program and communicate results with your government leaders.
  - c. Modify any items if needed.
  - d. Archive all previous year records and reports.
  - e. Disclose yearly results with members of your department.

Leaders in the fire service will now be able to use this information to their benefit when implementing ambulance-transport billing programs in their respective fire departments. These guidelines will assist chief officers with the necessary start-up steps and will prevent important steps from being ignored. If these steps had existed, Beavercreek Fire Department's ambulance-transport billing program would have started on the right foot.

## REFERENCES

- Adams, L. (2000 February). Can you afford to bill patients for EMS calls? *Fire Chief*, p.1 – 4.
- Crosley, S. (Fall 1999) EMS USER FEES... Is it right for your community? *Ohio Fire Chiefs' Journal*, 30-32.
- Fitch, J. (1995). Prehospital Care Administration – Issues, Readings, and Cases. California: Mosby-Year.
- Fitch, J., Keller, R., Raynor, D., Zalar, C. (1993). EMS Management Beyond The Street. Carlsbad, CA: Laing Communications.
- Krakeel, J. (October 1999). Group tackles goal of creating national fee schedule. *Fire Chief* p. 1 – 4.
- Lawrence, P. How to avoid common ambulance billing pitfalls. IndustryClick, July 5, 2001, retrieved from the World Wide Web: <http://industryclick.com//magazinearticle>.
- Ludwig, G. (1999 March). Billing For EMS Transport? Why Not? And if You Do Expect Major Changes. *Firehouse*, 26-28.
- Ludwig, G. (2000 September). New Ambulance Fee Schedule To Impact Some Fire Departments. *Firehouse*, p34
- Ludwig, G. (2000 May). Are You Getting Your Fair Share? *IFAC/EMS Monthly Report*
- Page Wolfberg Wirth (2001, August 21) Ambulance Billing & Reimbursement Law. Retrieved August 21, 2001 from the World Wide Web: [www.pwwemslaw.com/ACTIVE/practice%20areas/ambulance.htm](http://www.pwwemslaw.com/ACTIVE/practice%20areas/ambulance.htm)
- Penton, B. (1999) Contract Lets Ambulance Crew Focus On Saving Lives, Not Bill Collection. *Nation's Cities Weekly*, June 7, 1999, p7.
- Pricing Your EMS Services – Are You Charging the Right User Fees? (1998, November Issue). *EMS Best Practices*, 41-45.
- Scott, T. (2001). To Bill or Not to Bill, That Is the Question. Management Matters Merginet, Retrieved August 15, 2001 from World Wide Web: [www.merginet.com](http://www.merginet.com)
- Scott, T. “EMS Consultant” Personal E-Mail 18 July 2001.



Scott, T. (2001). Ambulance billing – The Process. Management Matters Merginet, Retrieved October 15, 2001 from World Wide Web: [www.merginet.com](http://www.merginet.com)

Scott, T. (2001). Choosing a Billing Service. Management Matters Merginet, Retrieved November 5, 2001 from World Wide Web: [www.merginet.com](http://www.merginet.com)

Wolfberg, D. (2001) Clarity on Kickbacks. Law Bytes, August 20, 2001  
Retrieved from the World Wide Web: [www.merginet.com/tgp/2001/0108/law\\_bytes-0108.shtml](http://www.merginet.com/tgp/2001/0108/law_bytes-0108.shtml)

## Appendix A

### Beavercreek Fire Department Ambulance Billing Citizen Survey

1. What is your present age? \_\_\_\_\_ What is your sex? \_\_\_\_\_
2. My household annual income is, circle appropriate answer
 

Under \$15,000	\$75,000 to \$99,999
\$15,000 to \$24,999	\$100,000 to \$124,999
\$25,000 to \$34,999	\$125,000 to \$149,999
\$35,000 to \$49,999	\$150,000 to \$174,999
\$50,000 to \$74,999	\$175,000 or more
3. Are you satisfied with the services provided by the Beavercreek Fire Department, Circle answer: YES NO
4. Have you ever had to use the fire department in a emergency situation, fire or emergency medical services, circle answer: YES NO
5. What type of health care coverage do you have, circle answer:
 

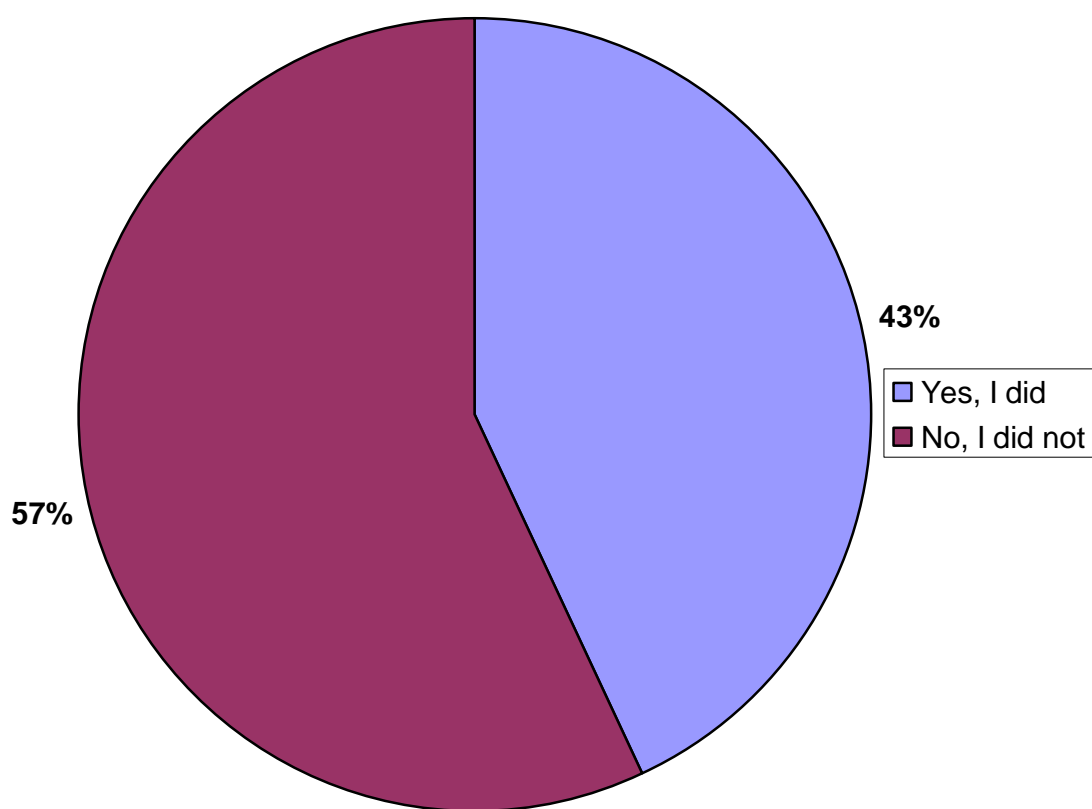
Commercial Insurance
Medicare
Medicaid
None
6. Are in favor of being billed for ambulance transports in place of a city wide property tax levy increase, circle answer: YES NO
7. Do you know that your health care coverage covers and also pays for ambulance transports, circle answer: YES NO
8. Are you aware that the Beavercreek Fire Department presently bills for ambulance transports, circle answer: YES NO
9. Did you know that Beavercreek's neighboring fire departments (Fairborn, Dayton, Riverside, Kettering, Bellbrook, and Huber Heights) bill for this same service, circle answer: YES NO
10. Do you feel that the fire department officials sufficiently informed and educated the citizens of Beavercreek about all aspects of ambulance billing, circle answer: YES NO

**Appendix B**Beavercreek Fire Department  
Ambulance Billing Member Survey

1. What type of firefighter pay classification are you, circle answer: FT PT
2. How many years have you been with Beavercreek Fire Department, \_\_\_\_\_?
3. Are you aware that Beavercreek Fire Department bills all patients transported by the ambulance unit, circle answer: YES NO
4. Do you support the concept of ambulance billing in Beavercreek, circle answer: YES NO
5. Do you feel the fire department needed to initiate a billing program to generate additional revenue, circle answer: YES NO
6. Have you received any feedback (positive or negative) from any patient or citizen in regards to billing for ambulance transports, circle answer: YES NO
- 6a. If yes, what type of feedback, circle answer: POSITIVE NEGATIVE
7. Where do you feel the fire department should spend the additional revenue that has been generated from ambulance billing, fill in answer: \_\_\_\_\_
8. Were you satisfied with the initial training provided by our third party biller in regards to all aspects of ambulance billing, circle answer: YES NO
9. If required, would you feel comfortable explaining the billing aspects to the public, circle answer: YES NO
10. Do you feel additional trainings and department meetings should have been held before starting the billing program, circle answer: YES NO

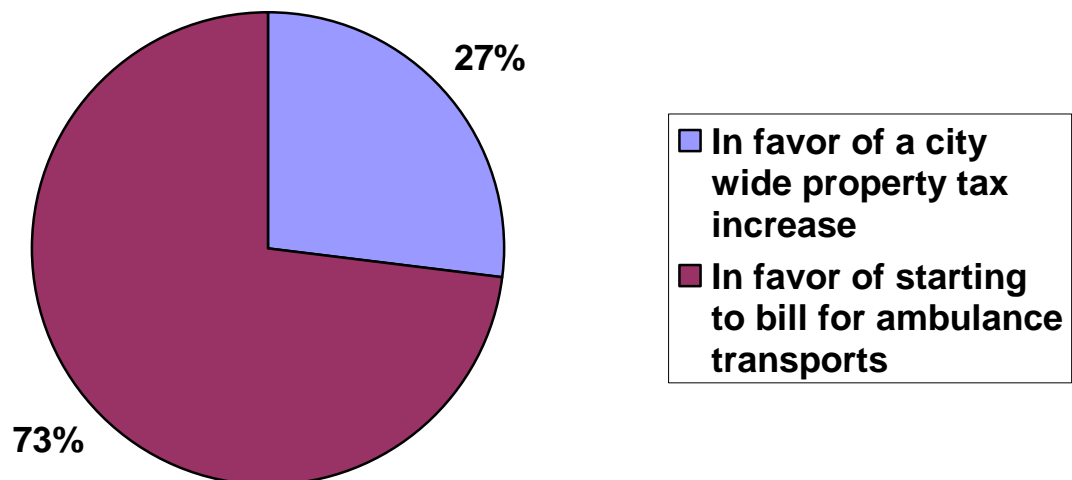
Appendix C

**Did you know that the Beavercreek Fire Department was presently billing for ambulance transports**



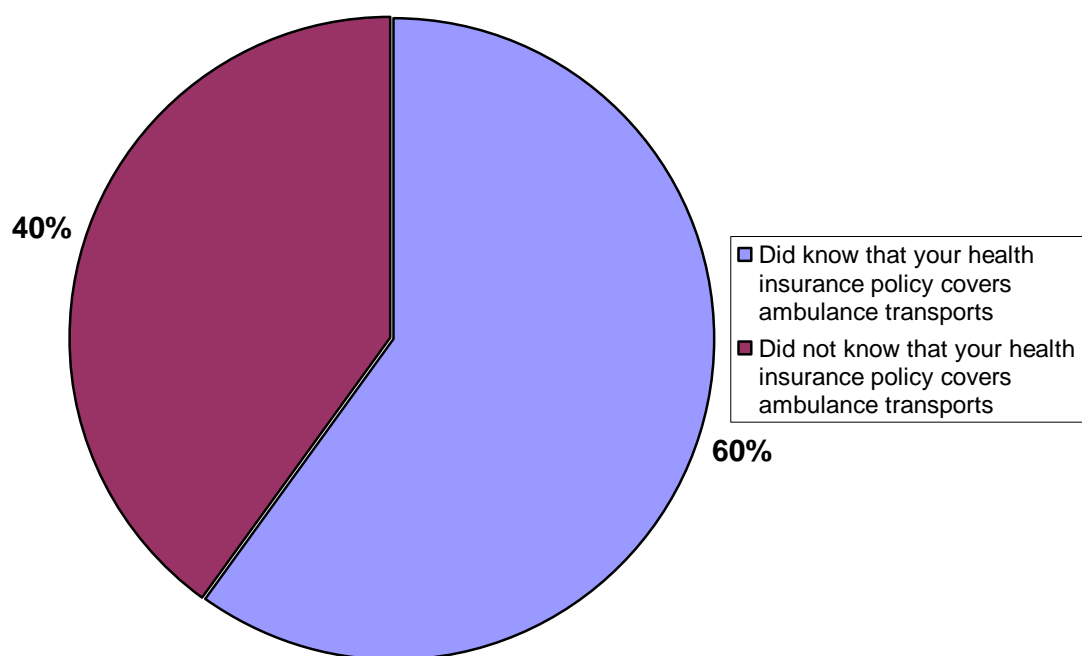
## Appendix D

**To generate additional funds for the fire department, which option do you prefer?**



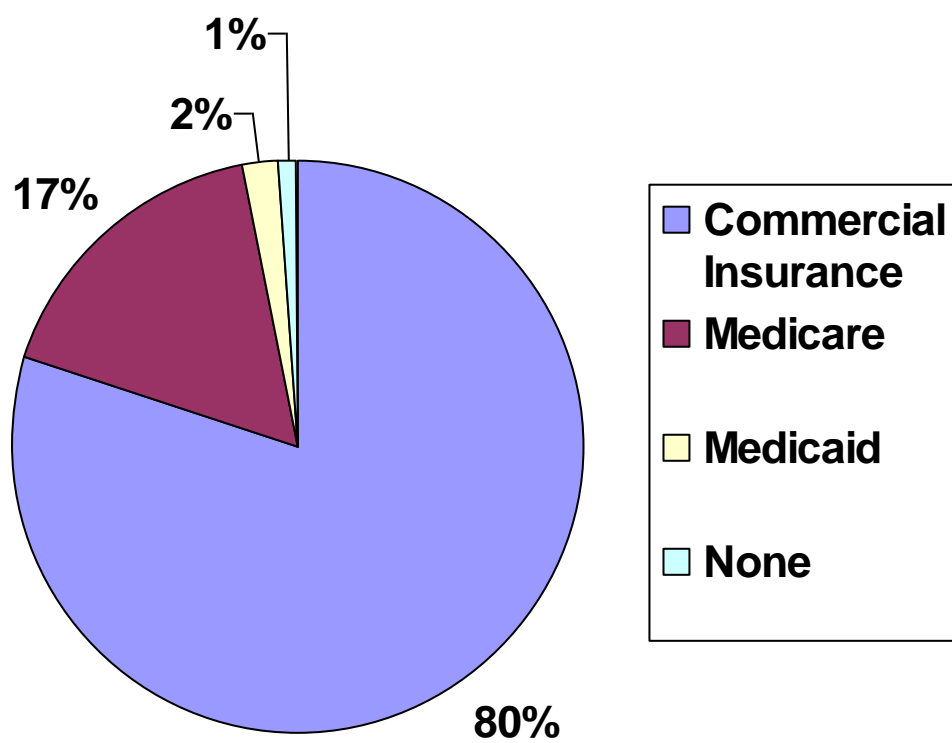
## Appendix E

**Understanding your health insurance policy in  
regards to being billed for ambulance  
transports**



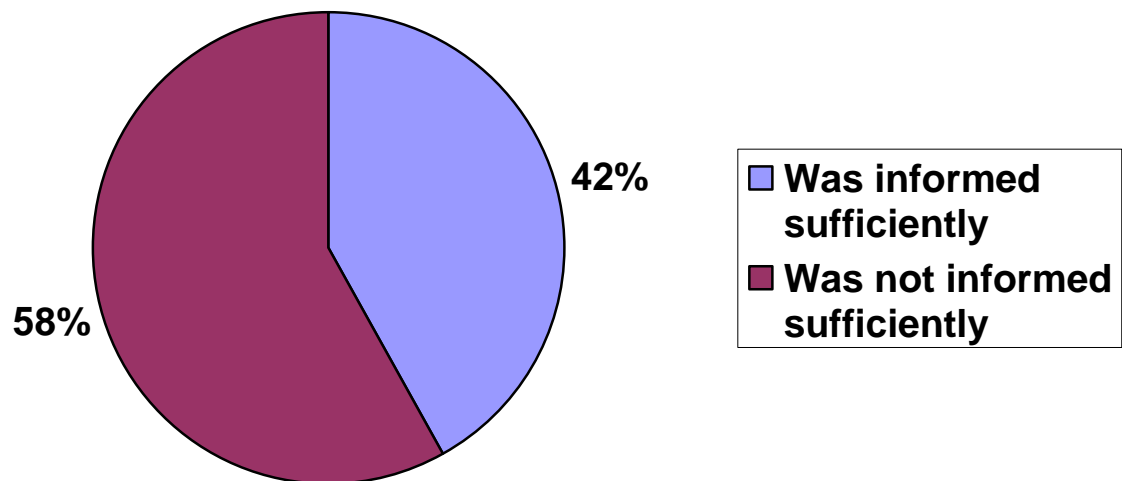
## Appendix F

**What type of insurance coverage do you carry?**



## Appendix G

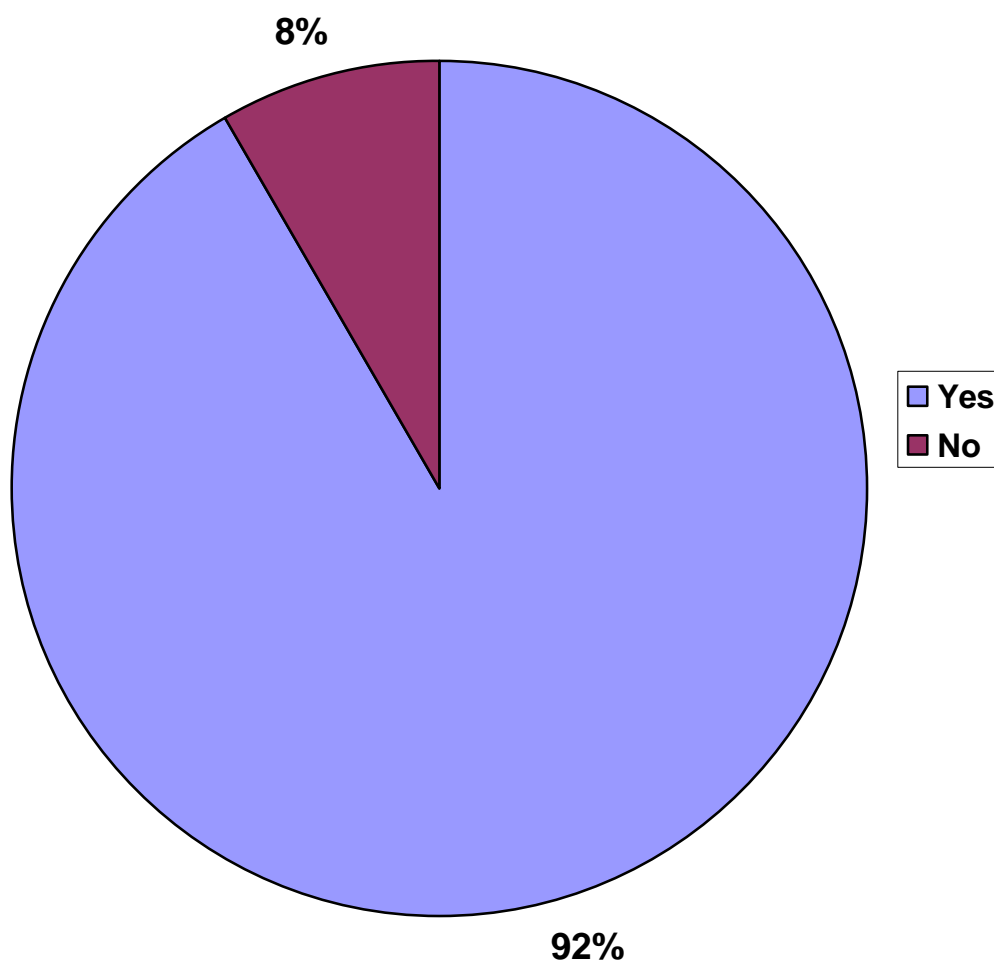
**Do you feel the Beavercreek Fire Department informed the citizens sufficiently before beginning the new ambulance billing program?**





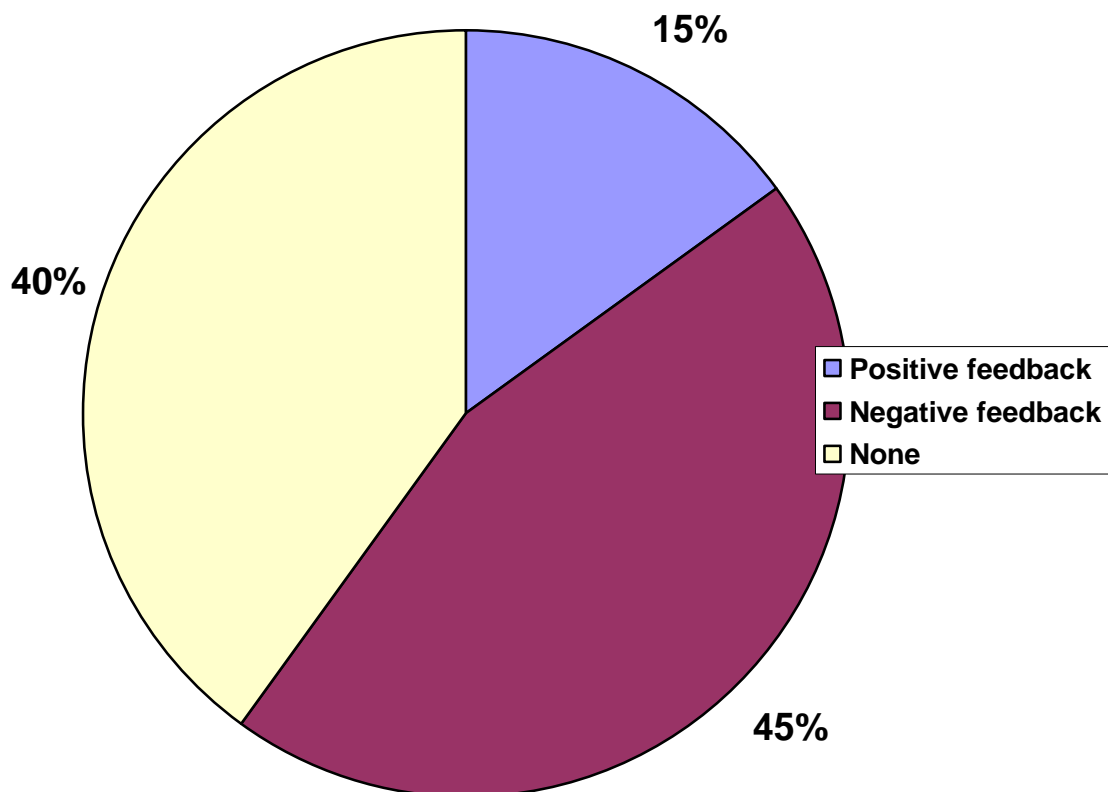
Appendix H

**Do you feel the fire department needed to initiate a billing program to generate additional revenue?**



## Appendix I

**Have you received any feedback from any patient or citizen in regards to billing for ambulance transports**



## Appendix J

**Do you feel additional trainings or department meetings should have been held before starting the billing program?**

