

# Jefferson County Ambulance District

## EMS Billing and Tiering Assessment

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### **Executive Summary**

Jefferson County Ambulance District has a reputation of being a progressive and strong EMS agency. It took a leadership role in communications, billing and tiering among smaller rural services over the years and continues to demonstrate leadership. Jefferson County Ambulance District, in fact, is more progressive and better run than many larger full-time services.

Rural EMS today is complex and, with current regulations regarding billing, it is becoming more difficult. Jefferson County Ambulance District should be congratulated for continuing to be a leader in EMS and continuing the initiative to provide the best patient care possible to rural patients.

My task was to review the Jefferson County Ambulance District overall billing process, including patient documentation necessary for billing, and to review the process to enhance the Advanced Life Support tiering response for the surrounding Basic Life Support services.

Following are my findings and recommendations.

## **Patient Documentation**

Foremost for proper billing and reimbursement, the EMS crews' documentation is vital. The most important benefit of good documentation is to the patient, of course, but without good documentation, billing becomes difficult. Reimbursement is based solely on that documentation. Both learning and maintaining good documentation skills are difficult but the e-NARSIS program allows crews to do a better job.

Consistent with being a leader in Nebraska EMS, Jefferson County Ambulance District, was one of the first services utilizing the e-NARSIS program for patient documentation and, additionally, has successfully integrated it into their billing process. Utilizing e-NARSIS, the crews of Jefferson County Ambulance District are able to provide a better record of their patient encounters. This record is important to EMS, of course, but it is also a vital part of the patients' complete health care record and assists in making EMS more professional.

Melding the e-NARSIS and SweetSoft programs to make a virtually seamless billing system is another example of Jefferson County Ambulance District's leadership. More services need to follow their example by utilizing e-NARSIS for patient documentation and making it part of their billing process.

Although, this was not asked, I would venture to say that at any time, one could ask Joe Grubbs for a report on any number of items regarding past patient care and billing and it could be generated in a matter of minutes. This is extremely important, because Jefferson County Ambulance District has the means for improving its performance program with the results of the reports. Since each patient report is sent to the state, they contribute to a larger database, which, in turn, shows the importance of EMS in Nebraska. This state database can then generate reports that can be used for both political and economic opportunities to improve and/or maintain quality EMS systems in Nebraska.

Current documentation and billing procedures include crews submitting e-NARSIS to the state, after returning to quarters. The information is eventually downloaded back to the station and imported into the billing program for submittal. Current practice is not to leave a copy of the e-NARSIS with the patient when arriving at the Emergency Department. An employee of the hospital can download the documentation anytime after it has been submitted to the state and made part of the patients' record. It has been my experience this does not happen the majority of the time, however.

## **ALS Tiering Process Billing**

Jefferson County Ambulance District implemented the formal ALS/BLS tiering process approximately 3 to 4 years ago. Like the majority of rural tiering programs, it was slow to start and there was distrust by many BLS providers over what might happen to their patients and their services in the future. With time, of course, this distrust was overcome and it appears that the tiering system is mature and working well. In fact, I also believe it is one of the reasons that nearby Gage County is now implementing a similar tiering system. Undoubtedly, some of the BLS services that take patients to both Jefferson

County Hospital and Beatrice Community Hospital know the value of tiering for their patients and then promoted the program to Beatrice Fire and Rescue.

Current practice is for a simultaneous dispatch to the BLS service and Jefferson County Ambulance District for calls that meet the agreed criteria for ALS intervention. Those BLS services that bill for service then bill the patients' payer for the call. With proper documentation, they are able to then bill at the ALS Emergency level. It is my understanding that Jefferson County Ambulance District does not have formal relationships, in the form of contracts with the BLS provider.

Without a formal agreement with the surrounding BLS agencies, Jefferson County Ambulance District cannot receive any reimbursement for their services. Even though there were only 20 tiering calls last year, if they had received an average of \$200 per call it would have meant an additional \$4,000 in revenue to the Department. Although in an over \$600,000 yearly budget it does not seem like much, it would buy an additional cot in two years and add an extra component to the existing EKG monitor defibrillator. Finally, but importantly, it would have reduced the yearly subsidy by taxpayers.

Today's economics for counties, cities, hospitals and private companies means business operations must be well-run and monitored at all levels for efficiencies of operations. Contracting with the BLS providers for a portion of the ALS reimbursement only seems the prudent thing to do.

An additional bonus to the tiering process is better communications and relationships between the BLS and ALS providers. EMS in Nebraska is slowly changing to being more collaborative and this collaboration can only help all EMS agencies. Rural citizens rely on their local EMS agency as their only medical provider and anything that the paid ALS services can do to assist them will assist their patients. This local and to a degree regional collaboration will ultimately lead to a true EMS System in Nebraska, as compared to the now fragmented, and many times, competing system.

### **Billing Process**

Given the complexities of billing and CMS regulations, it appears that Jefferson County Ambulance District has a proven process in place and one that utilizes software to automate as much as possible. The Department is well maintained with technology, which helps in automating the processes and keeping human error to a minimum. The importance of "clean" claims is important to reduce the number of day's receivable and keeps the Department's reputation among payers as one without problems. Knowledge of rules and regulations and a sound automated process reduces expenses and the services liability and Jefferson County Ambulance District is to be congratulated on its efforts.

There may be a question regarding the interpretation of billing for interfacility transfers, however. A transfer of a patient, who meets Advanced Life Support (ALS) criteria, from Jefferson Community Health Center to a hospital in Lincoln for procedures or care not available at Jefferson County is currently being billed at an ALS Emergency rate.

Attached are resources explaining why this is not the correct billing procedure for these types of calls.

## **Operations Related to Billing**

Overall, Jefferson County Ambulance District is a well-run ambulance service. It has had a reputation throughout the state as being progressive and providing services to rural citizens usually found only in bigger populations. It is easy to see why the ambulance service is successful given what public safety in Jefferson County offers. It is certainly a model for other small providers in the state and everyone who has a hand in it should be very proud. Collaboration on a local level is one of the first steps to collaboration on a larger area and it is evident that Jefferson County and Jefferson County Ambulance District are smart and progressive.

Many issues affect ambulance billing and following are two that I believe can improve overall operations of the service.

### **Collections**

Current practice is to send monthly bills for payment for six to eight months after submission and up to four years of past due accounts are still recorded. Outstanding accounts are turned over for collection but it does not appear there is uniformity in the process.

### **Performance Improvement**

Performance improvement activities appear to consist of the Medical Director reviewing a random 10% of calls every quarter, for appropriate treatments. Additionally, all codes are reviewed. It is important that the Medical Director is involved in treatments, ensuring that protocols are followed and patient care is appropriate. Without oversight by the Medical Director, there is really nothing to ensure that patients are receiving professional and accepted standards of care.

Performance improvement is not about finding fault with caregivers or the organization. It is all about improving patient care through review of current practices and looking for efficiencies in day-to-day operations, billing and reimbursement, equipment, policies and protocols. The majority of services improve only by what becomes the standard of care in equipment, policies and/or protocols. By reviewing what is currently being done, one may be able to discover a better way of doing things or a problem that had not been apparent. A progressive service is always looking at ways to improve and implementing better changes. If a service does not do it, payers and/or government will mandate certain changes at some time or someone else may be able to provide the service more efficiently than is done now. Performance improvement can show that a service does improve the lives of the citizens in its area by improving patient outcomes. If one cannot show that, it makes it easy for others to provide the service.

## **Recommendations**

Jefferson County Ambulance District is providing a quality EMS system to its citizens and these recommendations are being submitted as opportunities to provide additional improvement.

### **Patient Documentation**

#### **E-NARSIS**

One of the features of the e-NARSIS program is the automatic generated narrative, which is created by the drop down menus in fields and the fill-in boxes. There are services and individuals in Nebraska that do utilize this feature and it is a great means of saving documentation time. However, I would caution that this is a disservice to the patient, the crews and the EMS service, and highly advise against using it.

Every patient encounter is a story of what the EMS crew found, what they did and what was the result of their efforts. The care EMS crews provide is not performed as a series of unrelated acts. Each question, physical touch, observed sign and procedure is a result of past information, the interpretation of that information and critical thinking skills to decide on the next procedure and/or question, etc. This process cannot be captured by using drop-down menus or fill in the blanks alone and a report without a narrative thought out, written by the EMS person providing the care, showing the critical thinking skills involved and describing exactly what happened is substandard.

As was written earlier, although the nursing and/or medical staff at Jefferson Community Health Center, or any other hospital, can access the e-NARSIS for their patient via computer, it is generally not done. This lack of a paper copy of the EMS encounter on the patients' health care record contributes to the impression that EMS is not part of the health care system. If a question ever arose regarding patient care and there was no note in the hospital record that the patient arrived via EMS, that record may never become known. The health care provided to a patient is not separated between before hospital and at hospital and the care EMS provides to patients is vital to the overall health care they receive.

It would be a good idea to review the current documentation procedure to see if there could be enough time to complete the e-NARSIS before leaving the hospital. This should be easy to accomplish for interfacility transfers because of the time available for documentation during the transfer. If there are no laptops in the ambulances, I would advise to add them. The tools for patient documentation are as vital as some of the tools for assessing the patients and many times more readily available and less costly.

#### **Education**

When the EMS personnel understand the problems encountered during billing operations and how significantly it can affect the overall operations of the service they take more interest in how they document. Providing periodic reviews of some of the current rules and regulations regarding billing and the difficulties that billing encounters at times, smoother operations should result.

It is in the crews' interests, as well, to know the overall collection rate, the number of claims denied, why and what they can do to improve shortcomings. Poor performance by the service financially will eventually affect them, so they do have an interest in improving the finances of the services.

### ALS Tiering Process Billing

Jefferson County Ambulance District is to be congratulated on instituting the tiering process a few years ago and it is a reflection of the forward-looking nature of the system. This has been a difficult task at times, but the process to this success has not been largely any different from other systems. To be successful, the BLS provider must value it and after success, the same BLS providers and the staff of Jefferson County Ambulance District must continue to see the value and work in improving the system.

At this time, Jefferson County Ambulance District is not reimbursed for the tiering. Usually, as tiering systems are implemented and because the BLS provider historically did not charge for their services, reimbursement to the ALS provider does not occur. Because the tiering program has been in effect for a few years and is generally well received by the patients and BLS providers, I would recommend a review with all current services that Jefferson County Ambulance District tiers with to begin, or continue, encouraging BLS providers who do not bill to do so. There are varieties of sources available to help with this process, including staff from BLS services throughout the state that do bill. I would invite you to work with Doug Fuller to assist with this. Additionally, the process of contracting for services should begin with those services that now bill. A simple written agreement that spells out the tiering and billing is all that is required.

### Billing Process

I applaud the billing process currently in place. It appears to be well thought out and successful. It makes use of automation to submit "clean" claims and is able to create valuable reports and reduce the paper load. Following are two recommendations to improve the process.

#### Cash Flow

There does not appear to be a formal process in place to determine if or when claims should be submitted to an outside collection agency. Payers receive monthly bills for six to eight months after the initial call and accounts as old as four years are still recorded. At times, the Board is involved in which accounts to keep open, which are turned over to a third party for collection or which are taken off the books.

It becomes problematic in not having a formal process in place for determining the outcome for accounts receivable and Medicare regulations require that all accounts be treated the same. I recommend that there be a formal process approved by the County Board of Supervisors that details how the collection process should be done. For example, the process should outline who is responsible for collections, what the monthly process (statements, letters, phone calls) is, how many months and lack of payment

history is required before giving to a collection agency and what is required to determine to not give any claims to collection.

By having a formal process for collection of every claim, cash flow should improve and this, in turn should reduce the citizens' tax subsidy by the same amount, which would probably be welcomed.

#### Awareness of Medicare Rules and Regulations

During the review, it was learned that transfers of patients from rural hospitals to hospitals in Lincoln are being billed at an ALS-1 Emergency rate. Although, undoubtedly there are patients that are emergency transfers and need to be at a tertiary care center as soon as possible, the vast majority of transfer patients are very stable and require monitoring only, or at times monitoring and one or two intervention, such as pain control or administration of a timed medication. Commonly, charges for these transfer patients are either BLS non-emergency or ALS non-emergency charges. These patients do not meet the criteria for an emergency response and Jefferson County Ambulance District may be at risk for this billing as such.

Attached to this report is Program Memorandum Transmittal #AB-03-106, dated July 25, 2003, which includes the definition of "Emergency". Page 6 begins with h. Establishing and ALS Transport Based on an ALS Assessment". Although the call for an ambulance and crew to transport a patient from Jefferson Community Health Center to another facility for care not available at Jefferson Community may be routed through the Jefferson County 911 Center that does not meet the intent of what an emergency event and response is. By law, patients transferred from one facility to another for procedures and/or testing not available at the sending facility are to be stabilized before transport. They have been through a medical assessment and readied for transfer. The risks and benefits of the transfer have been explained to the patient and both the receiving hospital and physician have agreed they can and will take the patient. This process does not require utilizing a 911 center or an immediate response by an ambulance crew as would a person outside of a health care facility calling 911 for an ambulance.

It is easy to use the patients diagnosis as the reason for transport between one hospital and another but one must look not at the diagnosis but at the true reason for the transport. The patient is being transferred because care not available at the sending hospital is available at the receiving hospital. The patient has been stabilized for transfer and the ambulance is simply a means to continue that care during the trip between the two hospitals. That continued care does not qualify as emergency.

Also, included is Federal Register Volume 65, Number 177, and refers to "42 CFR Parts 410 and 414 Medicare Program Payment of Ambulance Services, Fee Schedule..." dated September 12, 2000. Addendum A begins on page 55096 and addresses the on-scene condition levels for ALS and BLS emergency medical and trauma patients. The table continues and on page 55099, it lists the non-emergency conditions for ALS, BLS and Specialty Care Transports.

Based on these interpretations and the Medicare intent of looking at transfers between hospitals different from community 911 requests, I advise Jefferson County Ambulance District to bill ALS and BLS hospital-to-hospital transfers as non-emergency calls. There is considerable risk to both Jefferson County Ambulance District and anyone who is billing these transfers as emergency to a charge of defrauding Medicare.

### Performance Improvement

A Medical Director active in reviewing crews' documentation, especially those difficult cases, is a positive thing for a service. Because of the Medical Directors involvement, it appears that Jefferson County Ambulance District has a PI process in place. This is much more than most services have instituted and is a wonderful first step to an even better process.

I would recommend that the Medical Director reviews 10% of all calls each month and then meet with everyone to discuss what was found. Additionally, the staff should select calls that they feel would be interesting to review with the Medical Director or those that they have questions about. This becomes a monthly education session and promotes better relations between the crews and Medical Director.

Peer audits are another way of creating a performance improvement program and, if used correctly, can help in identifying problems. Additionally, it can be used to promote the positives of the service to the community. Peer audits can be troublesome as well, depending on the crews' interpretation of how and why the process is to be implemented. It is paramount that everyone is involved in designing the process and has a say in it. If everyone has a part in designing and implementing, it will more readily be accepted as a tool for improving the service, rather than be looked at as a method of punishment.

Common criteria to look at for performance improvement include:

- Time from page to 10-8
- Time at scene
- Whether protocols were followed
- Number of attempts at intubation
- Are times recorded for vital signs, medications, invasive procedures

The important thing to do is to establish what should be the norm for each criteria – what does the service think the ideal time should be for time from page to 10-8; how long is adequate for a BLS and ALS call, for instance. If one finds that everyone is consistently within the times allowed, other criteria can be looked at for improvement.

During the monthly meetings with the Medical Director, calls that may have circumstances affecting the PI criteria may also be discussed. It is extremely important that everyone realize the PI process they designed and implemented is for improving patient care and not about finding fault with one another. This will require close monitoring by Supervisors, service Director and the Medical Director.

## Summary

Jefferson County Ambulance District is well run and provides a valuable service to its citizens. Everyone should be congratulated for being innovative and dedicated. This is obviously due to the foresight of the people in Jefferson County and speaks volumes when one looks at other counties of similar size that do not provide a similar service.

Maintaining a well-run service and being aware of Medicare rules and regulations is a difficult task but can be made easier by working with other providers. Joining the American Ambulance Association will provide timely and accurate information regarding a variety of topics including billing. Additionally, the Professional Ambulance Association of Nebraska is in a formative stage and should be able to provide assistance in the near future. I recommend that Jefferson County Ambulance District be part of both associations. Information from both can help to improve the service, of course, but both organizations will also provide a forum for others to learn the best from Jefferson County Ambulance District.

Lastly and very important, I recommend changing the practice of billing hospital-to-hospital ALS transfers from emergency to non-emergency. Even though it is at a slightly lower reimbursement level, it is accurate billing. While I am sure it is not deliberate, the practice of billing these transfers as emergency could be interpreted as an attempt to defraud Medicare.

Jefferson County Ambulance District is to be commended for the excellent care it provides and for looking to the future for continuation that excellent care.

I am available to assist in implementing any of the recommendations and welcome any discussion regarding this report. I thank you for the opportunity to learn more about the service and provide suggestions to improve it.

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