



Preparing for Ambulance Billing

The following checklist will guide you through the steps necessary to implement an organized ambulance billing system. Many of the steps may have already been completed, while others may not apply to your situation. In many cases, it is not necessary to complete one step before proceeding to the next; however, we have marked the most critical items with an asterisk (*). Please feel free to call our office for assistance in any of the following items.

CREDENTIALING

***Apply for State EMS License**

The obvious first step is to make sure you are licensed to provide ambulance services in your state at the level you plan on providing. Additionally, there may be local licensing or regulations you may be required to follow. A copy of your state license is required to be submitted with your applications to Medicare and Medicaid, so it should be acquired as soon as possible.

***Determine if new Tax ID number required**

Often a Fire Department or District uses the Tax ID number of their City or County when conducting business. This can lead to problems when billing for ambulance transports as most insurance companies use the Tax ID number to determine what entity should receive the payment. They may have already set up another entity under that Tax ID number, such as a County Health Department or another Fire District. Trying to use the same number can cause payments for you to go to other providers, while some of their payments will end up being sent to you. It is possible to use the City's Tax ID number for a City Fire Department, but County Fire Districts must each be assigned a unique Tax ID number. Note: this determination must be made prior to completing any applications for provider status with Medicare or Medicaid. The Medicare application process requires submission of proof of your legal name and Tax ID number from the IRS, so any documentation you find while researching this issue should be copied for use in the process.

***Apply for Medicare Provider Number**

The Medicare Provider Enrollment application is a daunting 45 page document. Much of the required information is redundant and many sections don't apply to ambulance providers. As a service to our clients, we will assist you in the completion of this document. You simply complete a one-page information form and provide copies of other pertinent documents and we take it from there. We return the (almost) completed Medicare Provider Number application to you with indications where you need to sign or complete additional information. This service is guaranteed to save you many hours of your valuable time. Once Medicare has your application, it can take 8 – 12 weeks before you are assigned your provider number. However, you can begin transporting patients prior to receiving your number; we will just have to hold any Medicare claims until the number is assigned.

***Apply for other Provider Numbers (after receiving Medicare Number)**

You will need to apply for provider status with all the other insurance companies and government agencies (Medicaid, Labor & Industries, etc.). The good news is that these applications are considerably

simpler than the Medicare application. The bad news is that many require a copy of your Medicare Provider Number before they will consider you for participation. For Systems Design clients, we will take care of all these applications for you.

POLICIES

❑ ***Establish rates**

Medical billing is a very strange animal. In what other business would you find the scenario where you bill \$400.00 for a service, are told you can only legally collect \$300.00 of it and you have to bill three different places to get that? It makes budgeting very difficult. You cannot simply take your expected expenses and divide it by your expected number of transports and determine the rate to bill. If you do so, you will certainly fall short of meeting your expenses.

In order to come up with a reasonable charge, you need to determine what your expected collection rate will be. One of the most important factors in this determination is what your local demographics are. For example, do you have a large number of retired people? Do you have a high level of unemployment? Do you have a major employer in your coverage area, and if so, do they have a majority of well paid workers or are they mostly low wage earners? What are other ambulance service providers in your area charging? All these things factor into the equation. We can certainly help in this area. We recommend being fairly conservative to begin with. After you have six to twelve months of history to review, it becomes much easier to do projections based on real data.

❑ ***Determine Billing/Collection Policies**

Some of the questions to be addressed are:

- How aggressively will we pursue delinquent accounts?
- Will we use a collection agency?
- Will we bill our residents for out-of-pocket expenses?
- Will we have a charity policy?

It is best to establish these policies before they become an issue. Of course, we manage each of our client accounts based on their own unique policies. Sample Billing/Collection Policies are available to assist you in this area.

❑ **Determine Charity Policy/Charity Form**

Many ambulance providers have established a charity policy that can be offered to a patient when they are uninsured and/or unable to pay their portion of the bill. Often times they coordinate their charity policy with the local hospital, using the same evaluation criteria (family income, size of household, etc.) Again, it is best to have this policy in place before it is needed.

❑ **Determine Billing Policy for transporting Fire Department employees/families**

Some clients, as a benefit to their employees, have decided that if an employee requires a transport, they will not be billed. Others extend it to their employee's immediate family members. Some have decided to accept whatever their insurance pays as payment in full. Sooner or later it will happen. It would be very embarrassing if the Fire Chief's wife were sent to collections because she just assumed her transport would be 'taken care of' so she ignored her bill!

❑ **Establish internal audit procedures**

Whether you choose to use a billing service or do your billing in-house, it is very important to establish internal audit procedures and controls. Separation of duties in the cash handling area, verification that all transports get billed and audit of complete financial histories of randomly selected transports are all part of a good internal audit. You don't want to be in the position of implementing an internal audit policy when the state or county auditor is sitting in your office.

❑ **Develop procedure for getting hospital 'face sheets'**

A very important part of the billing process involves getting a copy of the hospital 'face sheet' or 'admit form'. This document contains a great deal of patient demographic information, as well as current insurance numbers. Used in conjunction with the Medical Incident Report, it provides the billing department with the information necessary to be most efficient in the billing process. There will be times when the ambulance crew is unable to get a copy of the face sheet immediately. Most hospitals are willing to set up a procedure for getting them to the crew the next time they are in. Typically they establish a location (drawer or tray) that the crew will check each time they are at the ER. Others have agreed to fax them to the station when they become available.

❑ ***Determine banking procedures**

Do you already have a bank account that can be used for the EMS deposits or will you need to establish a new one? It is very important that you be able to identify exactly how much revenue has been generated by the EMS transports. If you will be using an existing account, controls must be established to be able to reconcile the deposits with the billing system. If using a billing service, you will need to provide them with a supply of deposit books, as well as a deposit stamp. You may also wish to coordinate with your bank to allow you or your billing service to accept payments by credit card. Note: the determination of a bank account is necessary prior to the submission of the Medicare provider application, since Federal payers are required to make their payments via EFT, and the Medicare application will be rejected without the inclusion of the EFT payment set up instructions. This application requires a letter of proof from your bank to verify the owner of the account, the type of account and the pertinent routing numbers. If setting up a new account for billing purposes, be sure to ask your bank for this letter as part of the set-up process. If using an established account, you will need to contact your bank to request one.

❑ ***Develop Signature/Release of Benefits form (usually included on MIR)**

It is mandatory to get the patient's signature in order to submit bills on their behalf. If the patient is unable to sign, certain other individuals may sign for them. You are also required to have the patient sign to indicate that they have received a copy of your Privacy Policy (HIPAA). It is also a good idea to have the patient sign to indicate they are financially responsible for the transport charges. The best way to handle all of these requirements is to develop one all-inclusive document.

❑ **Train employees in completion of required billing information**

One of the most important issues in achieving an excellent collection rate is to start off with good information. If ambulance crews are trained in the proper completion of the forms, it will make for a much smoother transition into the billing arena.

❑ ***Appoint HIPAA Compliance Officer**

HIPAA - The **H**ealth **I**nsurance **P**ortability and **A**ccountability **A**ct has some very specific requirements having to do with patient confidentiality and how patient records are maintained. You will be required to train all your personnel who will have any contact with patients or their protected health information. The HIPAA Compliance Officer is responsible for making sure you meet all the requirements of the HIPAA regulations, including Business Associate Agreements with billing agencies, hospitals, mutual aid agencies, etc.

❑ **Contract with Collection Agency (if applicable)**

If you decide to send delinquent accounts to a collection agency, you must determine when an account should be turned over and establish the procedures for getting the accounts to them. Will they be sent directly from the billing service, or will the billing service return them to your office for the final determination? Different collection agencies offer different types of programs and charge different rates, so it pays to have several make proposals to determine which one best fits your needs.

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