

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 most cases, it is not necessary to complete one step before proceeding to the next; however, we have listed the most critical items at the beginning. Please feel free to call our office for assistance in any of the following items.

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 application for a Medicare Provider Number, so it should be acquired as soon as possible.

Determine if new Tax ID number required

Often times a Fire Department or District uses the Tax ID number of the 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 whom a payment goes to. They may have already set up another entity under that Tax ID number, such as a 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 may be possible to use the City's Tax ID number for a City based Fire Department, but County Fire Districts must each be assigned a unique Tax ID number. Note: this determination must be made prior to completing the Medicare Provider Number application.

Contract with Billing Agency (if applicable)

If you decide to use the services of a professional billing agency, it is a good idea to get them involved in the process as early as possible. They will be able to assist you in many of the following steps, saving countless hours and avoiding some mistakes along the way. Obviously, we would like to have the opportunity to discuss our qualifications with you, but even if you decide to bill in-house, please feel free to call us with questions you may run into. We've done this many times, no sense reinventing the wheel.

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 can assist you in the completion of this document. You simply complete a one-page form 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 some 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, you 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.

Appoint HIPAA 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 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.

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? 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?
- Do we want to assess finance charges?

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.

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 now 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.

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!

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.

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.

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 the ambulance personnel are trained in the proper completion of the forms, it will make for a much smoother transition into the billing arena.

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.

☐ 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.

**Systems Design Northwest, Inc.
PO Box 3510
Silverdale, WA 98383-3510**

**(360) 692-5242
(800) 585-5242
(360) 698-4968 Fax**

www.SystemsDesignNW.com

