

Air Medical Revenue Recovery

Whose job is it, anyway?

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Introduction

- Multiple Sources of Reimbursement
- Strategies are Required for Each Payer
- Service-wide Commitment is Required
- Performance Must Be Monitored

Sources of Reimbursement

- Commercial Insurance (including HMOs)
- Auto Insurance and Other Third Party Insurance
- Worker's Compensation
- Private Pay (including deductibles & co-insurance)
- Secondary / Supplemental Insurance

Sources of Reimbursement

- Medicare
- Railroad Medicare
- Medicare HMOs
- Medicaid
- Medicaid HMOs
- Veterans Administration
- Military Programs-TriCare

Sources of Reimbursement

- Indigent Reimbursement Programs
- Other Special Programs (Crippled Children, etc.)
- Contracts

Strategies for Each Payer Type

- Medicare
- Medicaid
- Commercial Insurance
- Auto Insurance
- Private Pay
- Contracts

Payer Schedules

Private Pay		Comm. Ins		Medicare		Auto	
Action	Day	Action	Day	Action	Day	Action	Day
Verify/Code	1	Verify/Code	1	Verify/Code	1	Verify/Code	1
Data Entry	2	Data Entry	2	Data Entry	2	Data Entry	2
Phone Sig?	3	Phone Sig?	3	Phone Sig?	3	Phone	2
Invoice Letter	3	Invoice Letter Claim	3	Claim	3	Claim Lien Invoice	3
Statement	25	Statement	30	Phone	33	Phone	21
Statement Phone	46	Phone	45	Re-File Claim	60	Statement Phone	22

Medicare

Largest Payer for Air Ambulance Services

- Coverage Rules
- Fee Schedule

Medicare Coverage

- Medically appropriate air ambulance transportation is a covered service regardless of the State or region in which it is rendered. However, contractors approve claims only if the beneficiary's medical condition is such that transportation by either basic or advanced life support ground ambulance is not appropriate.

Medicare Coverage

- The vehicle and crew requirements are met;
- The beneficiary's medical condition required immediate and rapid ambulance transportation that could not have been provided by ground ambulance; and either
 - The point of pickup is inaccessible by ground vehicle (this condition could be met in Hawaii, Alaska, and in other remote or sparsely populated areas of the continental United States), or
 - Great distances or other obstacles are involved in getting the patient to the nearest hospital with appropriate facilities.

Medicare Coverage

- Payment allowed when the air ambulance takes off to pick up a Medicare beneficiary, but the beneficiary is pronounced dead before being loaded onto the air ambulance for transport (either before or after the ambulance arrives on the scene).
- The allowed amount is the appropriate air base rate, i.e., fixed wing or rotary wing.
- No amount shall be allowed if the dispatcher received pronouncement of death and had a reasonable opportunity to notify the pilot to abort the flight.

Medical Appropriateness

- Established when the patient's condition is such that the time needed to transport a beneficiary by ground, or the instability of transportation by ground, poses a threat to the beneficiary's survival or seriously endangers the beneficiary's health.

Medicare Coverage

- Following are examples of cases for which air ambulance could be justified:
 - Intracranial bleeding - requiring neurosurgical intervention;
 - Cardiogenic shock;
 - Burns requiring treatment in a burn center;
 - Conditions requiring treatment in a Hyperbaric Oxygen Unit;
 - Multiple severe injuries; or
 - Life-threatening trauma.

Time Needed for Ground Ambulance

- There are very limited emergency cases where ground transportation is available but the time required to transport the patient by ground as opposed to air endangers the beneficiary's life or health.
- If it would take a ground ambulance 30-60 minutes or more to transport a beneficiary whose medical condition at the time of pick-up required immediate and rapid transport due to the nature and/or severity of the beneficiary's illness/injury, air transportation may be appropriate.

Hospital to Hospital

- Transportation by ground ambulance would endanger the beneficiary's health and the transferring hospital does not have adequate facilities to provide the medical services needed by the patient.
- Transport from one hospital to another hospital is covered only if the hospital to which the patient is transferred is the nearest one with appropriate facilities.
- Transport from a hospital capable of treating the patient because the patient and/or the patient's family prefer a specific hospital or physician is not covered.

Special Payment Rules

- If ground ambulance service would have sufficed, payment for the air ambulance service is based on the amount payable for ground transport.
- If beneficiary could have been treated at a nearer hospital than the one to which they were transported, the air transport payment is limited to the rate for the distance from the point of pickup to that nearer hospital.

Documentation

- Documentation must be submitted that indicates the air ambulance services are reasonable and necessary to treat the beneficiary's life-threatening condition.

Aborted Flights

- Weather or mechanical—after patient loaded and aircraft takes off
- Base and mileage for actual miles transported

Medicare Requirements

- Mandatory Assignment
- Must Bill Co-Insurance Amounts Except in Specific Circumstances
 - Subscription program
 - Public supplier with tax subsidies

Reimbursable Events

- Coverage Based on Symptoms & Conditions
- Condition Codes Implemented on Voluntary Basis
- Most Carriers Using Diagnosis
- ALS vs. BLS

Fee Schedule

- Defines Fee Schedule
 - Base Rate
 - Mileage
- Level of Service (Fixed vs. Rotary)
- Does not Define Amount only Relative Value of Services
- Implemented April 1, 2002

Medicaid

- States are No Longer Required to Pay 20% Co-insurance for Medicare/Medicaid Patients
- State-Defined Programs
- May or May Not Cover Air Ambulance

Auto Insurance

- First In—First Paid
- Limited Coverage Amount

Revenue Enhancement Techniques

- Documentation
- Attitude
- Systemization
- Personnel

Documentation

- Patient's condition at time of transport
- Why was air ambulance needed to transport patient instead of ground ambulance?
- What services were not available at transferring institution?
- Why was closer hospital bypassed?

Attitude

- Caregiver commitment to value of service
- Quality determines reimbursement
- Professional treatment and documentation
- Organization-wide commitment to service

Systemization

- Step-by-step documentation and procedures from call to billing
- Organization
- Comprehensive procedures

Personnel

- Tools help—People make the difference

Monitoring Performance

- Important Performance Indicators
- Documentation
- Promptness

Calculating Collection Percentages

Example 1b:

May Charges	=	\$156,459.50		
June Charges	=	\$84,985.00		
July Charges	=	\$110,285.75		
		\$351,730.25	+ 3 =	\$117,243.42
August Receipts	=	\$75,824.75		
		\$75,824.75	+ \$117,243.42	= 64.7%

Calculating Days In Accounts Receivable (DSO)

	TOTAL MONTHLY CHARGES	DAYS IN MONTH	
May	\$156,459.50	31	
June	\$84,985.00	30	
July	\$110,285.75	31	
August	\$128,253.50	31	
	\$479,983.75	123	
\$479,983.75		÷ 123	= \$3,902.31
			<small>Avg. Daily Charges</small>
Total Accounts Receivable		= \$410,443.50	
\$410,443.50		÷ \$3,902.31	= 105.2 Days

- ### Conclusion
- Survival Depends on Revenue Recovery
 - Reimbursement Changes and Scrutiny Threaten Survival of Many
 - Knowledge & Preparation are Key to Responding to Changes
 - Revenue Recovery Determines Level and Quality of Service--Do we need to change?

- ### Introduction
- Process of Receivables Management
 - Exception Tracking
 - Monitoring Performance
 - Improving Performance

- ### Process Examination
- Source Data
 - Field documentation
 - Communications center activities
 - Reconciliation and collation

- ### Process Examination
- Data Preparation
 - Coding and verification
 - Data entry
 - Reconciliation, posting, and distribution of accounts
 - Generating invoices and filing claims

- ### Process Examination
- Account Management
 - Account Specialists
 - Account Closing
 - Payment processing
 - In-house collection actions
 - Inactive account review
 - Turning accounts

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