

MANAGEMENT FOCUS

— For Providers of Emergency Medical Services —

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AFTER THE (AMR) SALE...

The once bright vision that many hoped would help transition our profession into healthcare's mainstream did not happen. Laidlaw leaves a different legacy — a battered brand name and both tarnished and tattered careers.

AMR was the first to utilize a national "branded service" concept in EMS. The founder's vision was to become the market leader — delivering competence and compassion while providing solid returns for shareholders. AMR was to become as positive an icon in healthcare as McDonald's is for fast food. In the end, some individuals profited while others' careers ended prematurely.

What is to be learned from this experience? After the sale the new owners must create a change-adept organization, lead people differently, have a strong customer focus and understand both how to empower and partner.

Concepts, competence and connections are required to create a change-adept organization. AMR had many exciting concepts. One of the best was its "Pathways" product for managed care.

Competence involves both the raw skills of employees and the organizational skills to turn those skills into customer value. Key relationships and connections are necessary to strengthen business processes, pursue

new opportunities and learn from others. AMR focused these connections inward.

AMR's management structure was a top-down, command and control hierarchy. The new organization will need to flatten its hierarchy and break up traditional paths of decision-making to allow quick response at all levels of the organization. Different channels of action including cross-functional teams, joint ventures between business units and strategic partnerships will be required. Leaders will have to bargain, negotiate and motivate rather

than make unilateral decisions and issue commands.

Entrepreneurial innovation will be required to imagine the future and set in motion new ideas, designs, projects and processes. Conditions that foster and reward creativity and innovation that are linked to the vision and values of the organization must be developed.

The positive brand name possibilities for AMR were squandered by disastrous customer service. Thinking like a customer at each level of the organization is a skill that is required after the sale.

Understanding who the customers are and what they need are key. AMR made many promises it couldn't keep to clients, shareholders and employees. All were customers that eventually were lost.

Would McDonald's be successful if well mannered employees failed to consistently serve (reasonably) good-tasting food in conveniently located and pleasant surroundings?

Powerless managers who can't easily get access to resources and information are

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CITIES & COUNTIES RESPOND

The news of the AMR sale has resulted in different reactions. One common response has been to look closely at the relationship between the governmental agencies and providers.

Procurements, FD information campaigns, franchise revisions and system reviews are underway in a number of communities.

In central Florida, AMR's sale and the withdrawal of the Adventist hospital system's EMS service has forced at least four counties to reconsider its provision of ambulance service.

In the October 15, 1999 issue of the IAFC newsletter, fire chiefs were encouraged to use the AMR sale as an opportunity to lobby local officials for an increased role for the fire service. The International Association of Firefighters is also encouraging cities to assume EMS service responsibilities.

For communities in which AMR is the sole franchisee, the impending sale is disturbing to local officials. Cities are considering expanding the number of franchisees or changing contractors.

We recommend that

communities review system performance, end term and security provisions of provider agreements, compare rates, subsidies, and benchmark service costs using activity based accounting procedures.

If a decision is reached to change providers, detailed performance based service agreements should be developed. They are as important for the public sector as the private sector. Well planned agreements can significantly increase system performance while reducing risks, system failure and cost overruns.

EMS & HOSPITAL TRENDS & NOTES



On-Duty Shooting. Wishard Hospital medic Brian Pate was shot in the abdomen October 28, 1999 by a patient described as mentally unstable. The patient was calm during the transport but became agitated while waiting at the ED triage area. She reportedly pulled the weapon from a backpack that was among personal effects transported with the patient. Pate was described as "extremely fortunate" that the bullet did not hit any vital organs.

Lifepak 500. At least four incidents of "rapid venting" have been reported. According to Physio-Control each follow the same pattern including: "cell rupture, battery case rupture due to the sudden pressure change and the release of gas and carbon particles."

Physio indicated that the soft case is successful "limiting the collateral effects of the venting to a moderate degree." They further recommend users review the proper care and storage guide from the operating manual but to continue using the device. The IAFF has requested that NIOSH and FDA investigate, issue a fact sheet to be distributed to workers in the interim, conduct any necessary research and ultimately initiate a product recall, if required.

Overtime. The US House has passed a bill defining firefighters under FLSA to include medics and EMTs. The bill would allow a 53 hour work week prior to OT payment and does not apply to non-fire based medical personnel. The Senate is expected to also pass the bill before year end.

Privacy Rules. Health and Human Services issued its proposed privacy rules regarding electronic medical

records. Federal penalties of up to \$250,000 and 10 years could apply. The proposed rule allows states to supersede federal guidelines if they are more stringent.

Internet MD. Test marketing of software to develop Internet connections for physicians' office is positive. The software shifts routine medical questions, refill requests, and appointment schedules from the phone to the internet. It has significantly reduced telephone waiting time and callbacks.

Messages are answered by staff or forwarded to a triage nurse for immediate response. What's unique is patients' communicating with doctors, entering data into their own medical records and taking a more active role in their care. A recent email message about flu shots brought 60 percent of the physician's patients to the MD's internet site the next day. About half subsequently signed up for inoculation.

Physician Certifications. The American Ambulance Association has worked closely with the Health Care Finance Administration to clarify HCFA guidelines requiring a physician's certification of eligibility within 48 hours of non-emergency transports. Most significant, a nurse can now provide an interim signature stopping the clock until a physician countersignature can be obtained.

Hope Report. Negotiated rule making committee to receive the long awaited Hope Report, which is to identify the relative value of different types of ambulance transport (e.g. BLS, ALS, Critical Care). If accepted by the committee, the data will be used to establish ambulance fee schedules. The Medicare fee schedules are to be implemented January 1, 2001 or later. The committee will also be recommending an implementation process.

Focus on the web—
<http://www.fitchaccos.com>

AFTER THE (AMR) SALE...

continued

frustrated and weak. Empowering managers decreases costs, improves service quality and increases responsiveness. In AMR's case powerlessness, not power, corrupted.

Unfortunately this was often attributed to the personal shortcomings of individual managers rather than the systemic cause. Values conflicts became oppressive

as managers found themselves routinely apologizing for the actions of the corporation.

Confrontation rather than collaboration hurt AMR's ability to work in multiple local markets. Partnerships and alliances were not AMR's forte. Many public sector agencies never achieved a trust level with AMR, in part due to the constant change of

key personnel. That hampered the development of local relationships and alliances at the national level. Partnerships and alliances offer opportunities in the new millennium.

AMR was a market leader. It simply went down the wrong road. Many inside and out are anxiously waiting to see what action will be taken, after the sale.

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COMPLIANCE PROGRAMS ARE ESSENTIAL FOR AMBULANCE SERVICES

The Health Care Financing Administration, the Office of the Inspector General (OIG), and state and federal law enforcement officials have directed considerable energy toward eliminating fraud and abuse and other inappropriate activities in the ambulance service industry. Numerous Qui Tam lawsuits have also been directed at ambulance services filed by employees, former employees and even competitors. A few high profile convictions and settlements have created an industry-wide paranoia—not from fear of deliberate misdeeds, but from concerns that inadvertent mistakes or standard operating procedures are not in compliance with the complex array of rules, regulations, memorandums, advisory opinions, and state and federal laws.

The only way to effectively alleviate these fears is to implement a comprehensive, organization-wide, ambulance service specific compliance program. Ambulance services must comply with laws and regulations in numerous areas such as OSHA, ADA, employment and labor laws, personnel licensing and certification, Medicare, Medicaid, etc. The compliance program should address each of these issues, but the focus of this article and for most services will be on adhering to federal rules and regulations, particularly those of the Medicare program.

The OIG recently released the Compliance Program Guidance for Third-Party Medical Billing Companies. This document addresses one

of the predominant areas of concern—filing appropriate claims for Medicare reimbursement. It includes a description of the seven components required of a Compliance Program and identifies pertinent risk areas that the OIG has identified as problematic. These include:

- Billing for undocumented services
- Unbundling
- Upcoding
- Inappropriate balance billing
- Inadequate resolution of overpayments
- Lack of integrity in computer systems

The most common fraudulent activities are susceptible to inadvertent mishandling of claims and unintentionally inappropriate billing and collection procedures.

- Computer software that encourages data entry without adequate documentation
- Failure to maintain confidentiality
- Misuse of provider numbers
- Duplicate billing
- Failure to properly use modifiers
- Routine waiver of co-payments
- Discounts and professional courtesy

Each of these risk areas offers exposure to providers for intentional and inadvertent activities that could lead to investigations, criminal charges, civil suits, and huge financial settlements. Unfortunately, the most common fraudulent activities are sus-

ceptible to inadvertent mishandling of claims and unintentionally inappropriate billing and collection procedures. These include billing for undocumented services, upcoding, computer software defaults that encourage data entry of undocumented services or level of service, and duplicate billing.

It is valuable to examine ambulance service specific examples of exposure areas. Coding an ambulance call as an emergency when it was a non-emergency transport is often discovered in audits of claims. The definition of “emergency” is not clearly

a claim with the health insurance company or Medicare. This practice can be construed as double billing and if refunds are not promptly and appropriately processed when overpayments occur, the provider is exposed to allegations of fraud.

These examples highlight the importance of developing comprehensive compliance activities for the billing and collection functions of ambulance services. Not just to eliminate illegal activities, but to avoid errant practices and procedures that are technically in violation of some rule or law.

Billing and collections are not the only areas that services must be careful in complying with rules, regulations, and laws. Two other activities are potentially problematic—marketing and contractual agreements. Offering inducements for referrals exposes a provider to accusations of receiving or offering kickbacks. These inducements can be blatant or not so obvious. Paying a nursing home administrator or providing gifts in exchange for a preferred provider contract is obviously illegal. Offering a discount to a nursing home for patients who the nursing home is financially responsible could be interpreted as a kickback if the amount of the discount cannot be justified. Discounting, offering gifts, lease arrangements, and marketing incentives are activities with high potential for noncompliance and must be incorporated in the ambulance service’s compliance plan.

defined in all circumstances. Was an emergency response warranted under the specific circumstances? Was the patient’s life or well being impaired? These questions must be addressed and specific rules and interpretations by the Medicare carriers must be followed. Coding calls as advanced life support (ALS) when only basic life support (BLS) services were provided is another problem area with varying rules from different carriers.

Duplicate billing refers to filing claims with two different payers, simultaneously. For example, the provider may file a claim with the auto insurance company of a patient involved in an auto accident and simultaneously file

PREHOSPITAL RESEARCH UPDATE

ACEP's recent research forum provided over 400 abstracts, oral and poster presentations on topics of interest to emergency physicians and pre-hospital personnel. Among the interesting studies and conclusions profiled that pertain to prehospital providers were:

Complaints. A Denver Medical Center study identifies the four categories of complaints as rude behavior, history/physical/technical skills, disagreement about destination and loss of belongings. The study benchmarks DG/EMS complaints at 9 per 10,000 responses.

1st Responders. An Albany Medical College study found that specialized extrication personnel and equipment are rarely needed at MVAs. The study suggests that the potential hazard imposed by routine FD response to MVAs for purposes of

extrication or fire suppression is not warranted in that system.

Medical Control. A study from Long Island Jewish Medical Center and the FDNY indicates that contact with on-line medical control increases transport rates of elderly people that originally refuse transport by 15%. Contact may be indicated because field providers may not accurately identify patients with medical problems severe enough to require hospitalization.

Stroke. Field provider deficits in the ability to perform neurological exams and recognize acute strokes were noted in a study conducted by Mt. Sinai Medical Center. A stroke

study from Case Western Reserve and Akron General investigated helicopter transport of stroke patients and found that medical helicopters can provide rapid, safe and effective care to stroke victims during transport. Helicopter transport may be a significant tool in transporting rural patients requiring thrombolytics. A study from UCLA indicates additional EMS training is necessary to document onset times and do glucose measurement to determine eligibility for thrombolytic therapy.

ADA. In spite of a heightened number of ADA lawsuits specific to deaf patients, there continues to be a lack of awareness pertaining to this issue among emergency personnel.

Airway. University of Nevada studies indicate that periodic airway in-services, even if they do not involve intubation practice, can increase the rate of successful endotracheal intubations and improve utilization of airway adjuncts.

Nitro. A George Washington University study indicates that medics reliably determine non-cardiac chest pain but under-recognize chest pain of cardiac etiology and may not be treating patients that might benefit from nitroglycerin.

AED. Concerns have been expressed about AED performance in high electromechanical fields common in industrial settings. A Geisinger Medical Center study documented that EMF generated by an electrical power plant did not interfere with three major brand AEDs.

Fitch & Associates Upcoming Events

*Ambulance Service Managers Certificate Program 2000
March 24-28, April 19-23, July 14-18
Register before December 31, 1999*

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