

# What's The Thinking Behind Ambulance Fees?

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## ***Why does the County have a revenue recovery program?***

Medicaid, Medicare and private insurance policies include the cost of ambulance transport. As the need for additional emergency responders has increased, local governments have sought ways to pay for these services without raising property taxes. Many other local governments in Virginia have found that billing Medicaid, Medicare and private insurance for ambulance transport service has resulted in a large amount of revenue being recovered to help fund Fire•EMS services. The availability of such revenues led Hanover County to join the more than 40 cities, counties and towns in Virginia that currently have such a system.

## ***How does this affect me?***

If you have private insurance or are covered by Medicaid or Medicare, it probably does not affect you because you have already paid for the cost of ambulance transport through your policy or coverage.

## ***Why does the County need this money?***

The number of 911 calls being placed to Hanover Fire/Emergency Medical Services (EMS) has increased significantly in recent years. The increase in calls has challenged the ability of our emergency personnel to consistently deliver the needed services to residents and citizens. County officials and volunteer leaders agree that more paid Fire•EMS responders are needed.

## ***How much money is recovered?***

About \$1.7 million is recovered annually. This revenue is used to fund Fire•EMS needs, including personnel and equipment. As a matter of comparison, \$1.5 million is roughly equivalent to about two cents on Hanover County's real estate tax rate.

## ***What part of the recovered amount will come out of the pockets of citizens?***

Payments from individuals account for only 5% of total revenues recovered. The overwhelming percentage of the revenue will come from Medicaid, Medicare and insurance company payments.

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## **HOW IT WORKS**

### ***How does the billing work?***

Hanover County has contracted with a service to handle the EMS billing. The insurer, whether Medicaid, Medicare or a private company, will receive the bill. Patients will not be billed until all insurance options are exhausted.

Hanover is also offering a subscription program. For \$60 annually, all persons in your household can become subscribers. If a subscriber has to be transported by ambulance, the billing statement will show a zero balance even if they are not privately insured.

### ***Can I subscribe if I do not live in Hanover County?***

People who are employed by businesses located in Hanover County and who are served by Hanover Fire/EMS can subscribe. Additionally, those residents confined to nursing home facilities in Hanover County may also subscribe. These are individual subscriptions, which cost \$60 annually per subscriber.

### ***Will insurance generally pay all of my bill?***

Most insurance companies pay 80% of the charges for the service.

### ***If insurance pays, what will I have to pay?***

If your insurance company pays, you are responsible only for any co-pays or deductibles.

### ***What methods of payment will you accept?***

The billing company accepts personal checks, money orders and credit cards.

### ***What if I do not have insurance and also choose not to subscribe?***

If you are not a subscriber and do not have insurance, Medicaid or Medicare, a bill will be sent to you. If you are not able to pay in full, the billing agency will be glad to work with you to set up a payment plan. As long as regular payments are made, no additional collection efforts will be pursued.

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## **ABILITY TO PAY**

### ***What if I am unable to pay?***

Hanover's EMS revenue recovery policy includes financial hardship provisions. If you can demonstrate financial hardship in accordance with the County's policy, a substantial reduction is available (up to 100% for those with a household income under \$20,000). The policy provides a credit to your bill as follows:

Range of Annual Income:	Potential Reduction
\$0--\$20,000	100 %
\$20,001--\$30,000	75 %
\$30,001--\$40,000	50 %
\$40,001--\$50,000	25 %

The bill can be paid in installments on a payment plan. If at any time during the billing process you claim a financial hardship that prevents full payment of the bill, you will be sent a Financial Hardship Certification Form. You must complete this form, attach the required documentation and return it.

### ***If I have a balance to be paid on my bill, will I be refused ambulance service?***

Hanover County will not deny ambulance service to those with delinquent accounts or anyone else. This program will not change the ambulance service provided to anyone in Hanover County, regardless of insurance coverage or any other factor. Emergency responders will have no knowledge of who has paid and who has not paid.

### ***If EMS comes to my house but I don't need transport, will I receive a bill?***

No.

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### **INSURANCE INFORMATION**

#### ***Will my health insurance premiums increase as a result of this billing?***

Unfortunately, health insurance premiums continue to rise regardless of whether or not a community decides to bill for EMS transports. Such factors as prescription-drug coverage, litigation, technology improvements in the medical field and depressed insurance company investment returns have resulted in escalating health insurance premium costs. However, ambulance transport costs represent less than 1% of health care expenditures. Many other local governments in Virginia have implemented a revenue recovery program for ambulance transport fees, and they have reported no evidence that EMS billing increases health insurance premiums.

#### ***What type of information will I have to give when the ambulance arrives?***

Persons using the Emergency Medical Service are asked to provide any insurance information you have at the time of service, whenever possible. Attending to the patient's medical needs will always be the first priority.

#### ***What if I am not able to provide the insurance information at that time?***

If your insurance information is not available at the time of service, the billing company will attempt to obtain the information at the hospital. If the information cannot be obtained, you may receive a letter asking you to provide the information. You can contact the billing office to provide the information. When the billing office receives the information, your insurance will be billed. You will not receive any further correspondence or bills until the insurance company has made a determination on your claim.

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## **RATES**

### ***What are the billing rates for this EMS service?***

The charges are:

- \$575 for Advanced Life Service (ALS) 2, the type of service that involves surgical interventions
- \$400 for ALS 1 (an example is response to chest pains)
- \$350 for Basic Life Service (BLS)
- A charge of \$7 per mile, from the location of your call to the hospital, will also be part of each bill. You will not be charged for the distance the ambulance must travel from the rescue squad station to get to you.

### ***Why is there a mileage charge?***

A very large portion of the revenue that Hanover County collects from this program is from Medicare and Medicaid. Medicare requires mileage be included in determining the total amount covered for ambulance transports, and Medicaid calculates the allowable rate to be reimbursed based on mileage. The County needs to be uniform in its billing procedures and therefore charges mileage on all bills.

### ***What other localities in this area have EMS billing programs?***

More than 40 cities, counties and towns in Virginia currently bill for emergency ambulance transport to recover revenue. Nearby billing localities include Richmond, Chesterfield, Petersburg, Colonial Heights and Hopewell. Nearly 80% of Virginia residents live in localities that bill for EMS transport. Nationally, that percentage approaches 85%. Many other localities in Virginia are also considering this type of revenue recovery.

## **VOLUNTEERS**

### ***Is Hanover phasing out the volunteer system in favor of a paid system?***

No. Unlike many places, Hanover has not experienced a drop in volunteerism. In fact, Hanover has more volunteers now than it did ten years ago. Unfortunately, that same number of volunteers is having to answer significantly more calls for service, and invest much more time and effort in training than in years past. Finding sufficient responders

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across the County during daytime hours has proved to be particularly challenging in these days of changing demographics and 'two-working parent' families.

### ***Do the volunteer rescue squads still need our donations?***

Yes. Hanover's volunteer rescue squads depend upon donations to provide about 40% of their total operating cost. Donations provide the funding for uniforms for their members and enable volunteers to maintain the fleet in three of Hanover's four squads by helping pay for insurance, repairs and other costs. Donations also cover the cost of disposables and equipment that the County funding does not provide.

### ***What support does Hanover County provide to the volunteers?***

The County purchased all of the four rescue squad buildings and maintains them. The County buys all new ambulances, provides vehicle fuel, re-chassis all ambulances and provides cars and utility vehicles. The County also provides funding for equipment and disposables. All training is provided at no cost to the volunteers and the County also provides volunteer incentives.

### ***Do the ambulance fees provide all the support needed to help Fire•EMS meet its challenges?***

No. Revenues recovered have helped to pay for the additional personnel that have been needed over the past several years. However, Fire•EMS also has very significant operational and equipment expenses that are not wholly funded by this revenue recovery.

### ***Who can I call if I have more questions?***

For more information about Fire and EMS services in Hanover County, please call 365-6195. If you have a billing question, the County's billing agent has a toll-free number at 1-800-948-7997. The billing office will be open Monday-Friday from 8 a.m.-5 p.m. except on holidays.

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### **MISCELLANEOUS**

***What percentage of calls come from people just passing through the County who do not live here?***

In the last three years, about 22% of EMS calls have been from non-County residents. The fact that such a substantial amount of Hanover's resources had to be extended to non-residents but was financed completely by property taxes was a factor in the decision to implement this revenue recovery.

***How do you collect the money from non-County residents?***

Payments will be collected from non-residents in the same way as payments are collected from residents.

***Why can't people from outside the County be charged more than County residents?***

Federal regulations require that all patients transported must be billed at the same rates.

***How do you protect the privacy of my health information?***

Hanover County has a federally required Health Insurance Privacy Protection Act (HIPPA) Compliance Program in place to protect your health information.