



EMS Cost Recovery/Ambulance Billing FAQs July 2022

On April 9, 2022, Governor Kathy Hochul signed into law the 2022-2023 NYS Budget. Part KK of this legislation amended Section 209-b of the General Municipal Law to allow fire departments previously not permitted to bill for ambulance services to begin doing so for a four-year period, beginning July 8, 2022. Chiefs and authorities having jurisdiction should read the full text of the new law, attached as an Appendix to this FAQ document. These FAQs are provided in an effort to clarify fire department requirements and responsibilities.

1. Which fire departments are eligible to bill for ambulance services?

Any fire department, fire company, or fire district that holds a Certificate of Operating Authority from the New York State Department of Health issued prior to January 1, 2022, can bill for services provided on or after July 8, 2022.

2. Why was this legislation important?

New York is the only state that prohibited fire department billing for ambulance services. This enabled direct payment of \$750,000 each year by Medicare to ALS intercept services for rural ALS intercepts. The 465 fire departments prohibited from billing lost over \$100 million annually in health insurance reimbursements. Until now, taxpayers had to fund those losses. Tax caps and hard financial times have forced many fire department ambulances to cease operations, primarily in rural and suburban communities.

3. My fire department runs a BLS ambulance service. What does this law mean for us?

Fire Department BLS ambulance services that choose to bill **must** contract with an ALS service. The contract, at minimum, must establish fees for ALS services and detail how the ALS provider will be reimbursed. If the fire department chooses not to bill, and they are located in an area designated as a rural county or eligible census tracts in a metropolitan county (see www.hhs.gov/guidance/document/defining-rural-population), they must pay any ambulance service providing ALS intercepts a rural ALS intercept fee at rates negotiated between the fire department and the ALS service.

4. If my fire department runs a BLS ambulance service and decides not to bill, are we still obligated to pay for ALS intercept charges?

Yes, if you are in a rural area (see www.hhs.gov/guidance/document/defining-rural-population). Under the new law, these charges are owed by the fire department that requests the ALS intercept.



5. How easy is it to start billing for EMS service?

Billing is a complex process, usually exceeding the capabilities of a small fire department. Initially, it requires application for a national provider ID number as well as Medicare and Medicaid ID numbers. This takes some time (up to 3 months currently). There are several options available: use a billing service, have an ALS service do your billing for you, or, when ALS is provided by a County, have the County do your billing. If an ALS service or County does the billing for the Fire Department, they must bill under the Fire Department name, agency code, and provider number(s) for calls run by the Fire Department, and not under any agency code or number held by the ALS Service or County.

6. If our fire department chooses to bill, can we bill only ALS patients?

Selective billing may run afoul of federal laws and regulations. A fire department that chooses to bill should bill for all transports they do. A competent billing service will work with the fire department to establish hardship procedures for patients who are unable to afford their bills. Part of the new law (General Municipal Law § 209-b [4] [e]) prohibits fire departments from directly issuing a bill to any uninsured recipient of services. Case specific questions and decisions like this should be made by a competent billing agent in conjunction with your competent local legal counsel.

7. Are there any restrictions on the use of monies received from ambulance billing?

Yes. Monies received from billing must be used to offset the costs of providing ambulance services to the Authority Having Jurisdiction over the fire department or fire company. Often, they must offset other revenues, such as tax dollars.

8. Is a separate account required for EMS Billing funds, or can the funds be placed in the general operating accounts maintained by the fire department?

The new law does not require that a separate account be formed. However, doing so may assist your fire department in clearly tracking monies recovered through EMS billing for purposes of assisting you in accomplishing the offset of tax dollars for such service explained in No. 7, above. In any event, it is critical that your agency be able to readily identify the dollar amount raised through EMS revenue recovery.

9. Should an Authority Having Jurisdiction hold hearings on whether to begin billing?

While a specific hearing on whether to bill is not required, an Authority Having Jurisdiction has long been required to conduct a hearing on whether to authorize general ambulance service for a specific area if such service will be provided for the first time.



10. Will billing for EMS calls result in my volunteer department causing financial hardship for our citizens?

No, billing for EMS transports relieves financial hardship by recovering health insurance monies that citizens already pay for. Fire departments that choose not to bill may be leaving dollars on the table and asking citizens to make up the difference through fire taxes or donations. Departments who choose to bill have full control over how they define inability to pay, and can establish rules with their provider and competent local legal counsel covering those situations where billing may cause an undue financial hardship to citizens.

11. What are the immediate steps every fire department ambulance service should undertake?

- If you are a BLS transport service, you must contract with an ALS service provider.
- Decide how you will pay for ALS services (fire department EMS billing or from the department budget, if you choose not to bill).
- If you decide to bill for transport services, explore the best route to implement billing:
 - Third party EMS billing company
 - Contract with an ALS service to do your billing
 - If your County provides ALS intercept services, consider having them do your billing

This guidance document was developed by the NYSAFC EMS Section and the Firefighters Association of the State of New York (FASNY). Look for additional information including informational webinars in the near future. Please note that the information contained herein is not legal advice and does not establish an attorney-client relationship between the author and the reader. Matters addressed are for information purposes only, and the reader should seek advice from competent local counsel in regard to acting on any matters addressed herein.