

Press Releases

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ATTORNEY GENERAL CUOMO STOPS COLUMBIA COUNTY AMBULANCE COMPANY FROM ILLEGALLY BILLING CUSTOMERS

Greenport Rescue Squad, Inc., balanced billed consumers for differences from insurance payments

ALBANY, N.Y. (August 13, 2008) – Attorney General Andrew M. Cuomo announced today an agreement with a Columbia County ambulance company that was illegally billing patients for the differences between what the company charged and what the patients' insurance companies paid.

Under the agreement, the company must pay back at least 29 consumers who were improperly billed over the course of 5 years and change its billing policies to be in accordance with state law.

Hudson-based Greenport Rescue Squad, Inc. provides ambulance transportation to hospitals that primarily service the towns of Greenport, Stockport, Claverack, Livingston and the City of Hudson. In June 2007, the Attorney General's Health Care Bureau commenced an investigation after learning that Greenport improperly billed a consumer for ambulance services.

In that instance, the company submitted a claim to the consumer's insurer for \$797.50 for ambulance services. The insurer provided the usual, customary and reasonable allowance of \$448.14 with no deductible or co-payment for the consumer. Greenport then began sending invoices directly to the consumer, requesting payment of \$349.36 – the difference of what they billed and the insurer paid. The invoices stated that non-payment of the bill would result in collections proceedings against the consumer, which would adversely affect his credit rating. The consumer was also incorrectly told by a Greenport representative that he was responsible for the balance of the company's charges because it did not have a participating provider agreement with the insurer.

"The rising cost of Health Care is a real problem for every family in New York State and across the country," said Attorney General Cuomo. "Health care providers including ambulance companies have a vital obligation to their customers. Taking advantage of vulnerable New Yorkers by extracting excessive and undue payments is a massive insult to injury. My Health Care Bureau works to ensure that hard-working consumers are not subjected to erroneous and illegal overbilling by companies like Greenport."

New York state Insurance Law's 2002 "Ambulance Mandate" states that an ambulance service provider cannot bill a patient who has comprehensive health care coverage for the difference between the provider's charges and the insurer's payment (other than for applicable co-payments, deductibles or co-insurance). The insurer is required to pay the ambulance claim at

either the negotiated rate between the insurer and provider if a participating provider contract exists, or the usual and customary charge, which cannot be excessive or unreasonable if no participating contract exists. Billing a patient for such differences constitutes improper balance billing under the mandate. Additionally, billing a patient for an amount not owed under law constitutes a violation of General Business Law and Executive Law prohibitions against deceptive and fraudulent business practices.

The Attorney General's investigation found that Greenport Rescue improperly balanced-billed the consumer and had an illegal policy and practice regarding billing. Specifically, the investigation uncovered that between January 2002 through January 2007, 29 patients with comprehensive health care coverage were improperly billed.

Under an agreement with Attorney General Cuomo's Office, Greenport must establish new procedures for claims review and cease billing patients with comprehensive health care coverage for the difference between the company's charges and the insurers' payment. Additionally, Greenport Rescue must send a letter to every consumer who received ambulance services from January 1, 2002 through July 31, 2008 and then pay restitution if the consumer was balanced billed.

Attorney General Cuomo urges consumers to take certain precautions when reviewing medical bills:

- Carefully review medical bills to see that all charges are proper and that you actually received the services for which you are being billed.
- Watch for double-billing or unexplained excess charges.
- Check your prescriptions. Did you receive higher-priced name brand drugs when generic drugs were available? Ask your doctor.
- Never sign blank insurance forms. And ask for a detailed bill of your medical services, even if the insurance company is picking up the tab.

The Attorney General's Health Care Bureau helps consumers navigate the complex health care system, challenges insurers who won't cover provided costs, and targets organizations that have fraudulent, misleading or deceptive practices. The bureau also reaches out to New Yorkers to ensure they know their health care rights. Consumers who believe they may have been treated unfairly by a health care provider, HMO or insurance plan should call the Attorney General's Health Care Helpline at 800-428-9071.

The Greenport case was handled by Assistant Attorney General Susan Kirchheimer of the Health Care Bureau under the supervision of Health Care Bureau Chief Timothy A. Clune.