



## Austin-Travis County EMS Staff Findings Regarding an Application for the City of Austin Non-Emergency Medical Transfer Franchise for Allegiance Mobile Health

October 30, 2017

### **Background**

In order for a private ambulance company to provide non-emergency transfer services within the limits of the City of Austin, the provider must hold a franchise from the City. Non-emergency transfers typically occur between skilled nursing facilities, nursing homes and hospitals, and are usually prescheduled by medical personnel. Currently, two companies hold such franchises, Acadian Ambulance Service of Texas, Inc. and American Medical Response of Texas, Inc. (AMR)

Allegiance Mobile Health applied for a franchise with the City of Austin in September 2017. Lonestar Ambulance1, LLC doing business as Allegiance Mobile Health, is a wholly owned subsidiary of Bluebird, LLC and is requesting a franchise for a five-year term. All the required application elements have been submitted and the application fee has been paid in full.

### **Application Review**

Allegiance Mobile Health is headquartered at 3201 South Austin Avenue Ste. 335, Georgetown Texas. Allegiance Mobile Health has identified three locations for possible stations within Austin if the franchise is approved that are in close proximity to multiple hospitals and other facilities to provide service throughout the Austin area. The locations are:

3200 West Anderson Lane  
7575 Burnet Road  
7500 Burnet Road

The performance bond is in the form a certificate of deposit of \$10,000 located at the Union State Bank. General liability and automobile liability insurance are provided through American Alternative Insurance at levels that meet or exceed those required by the franchise ordinance. The City of Austin will be named on both the performance bond and the certificate of insurance if the franchise is granted.

Inspections of 3 units by ATCEMS occurred on October 13, 2017 and revealed that vehicles that will be used if the franchise is granted meet basic standards for emergency ambulances based on federal ambulance specifications, as well as general ambulance manufacturing standards. Odometer readings were all well within the mileage and age limits as specified in Chapter 10-2-82.

A preventive maintenance program is in place and repair records are kept electronically. Three of the five units that are proposed franchise vehicles were inspected to insure compliance with the required equipment as listed in TAC 157.11 - there were no deficiency found.

Allegiance Mobile Health and the inspected franchise ambulances hold the appropriate current licenses through the Texas Department of State Health Services (TDSHS) which are valid through August 31, 2017, however, Allegiance Mobile Health has provided a letter from the Texas Health and Human Services Department advising that the "EMS Certification and Licensing office in Austin has received the items necessary to approve your provider license renewal application". The delay of having a new license issued is due to a State backlog.

Allegiance Mobile Health currently has 800 employees, and 30 stations throughout the State of Texas. ATCEMS will have to verify the certification of the employees that will be assigned to the Austin operation if the franchise is granted. ATCEMS will review state certifications of the 20 employees proposed for the Austin franchise to insure that all are current and no suspensions or revocations were found for the company or its employees.

ATCEMS reviewed 250 Patient Care Reports (PCRs) for service provided by Allegiance Mobile Health. The records were reviewed using multiple data points, including response times, level of service provided, medical coding, origin and destination modifiers, dispatch times, medical documentation and Medicare/Medicaid compliance. On the initial review there were 96 patient care reports or 38.4% that ATCEMS needed additional information from the applicant to proceed with the process. Issues that needed clarification involved the rounding up of mileage on specific federal payer types, incoming calls documented as being received from an incorrect location, level of service billed and medical coding issues.

Allegiance Mobile Health's response to the issues, identified errors within their Billing and Computer Aided Dispatch software, as well as some human errors. The outcome for the billing errors required Allegiance Mobile Health to either fully or partially refund the revenue back to the original payer. The CAD errors required Allegiance Mobile Health to make modifications to the control files of the software to eliminate the potential of errors for incoming call documentation. Even though Allegiance Mobile Health corrected the CAD errors the issue still remains that their PCRs were incorrectly documented. It is the responsibility of the provider under Title 25, Part 1, Chapter 157, Subchapter B, Rule §157.11, (n) Responsibilities of the EMS provider. During the license period, the EMS

provider's responsibilities shall include: (9) assuring that patient care reports are completed accurately for all patients and meet standards as outlined in 25 Texas Administrative Code, Chapter 103.

The majority of the errors found were preventable if Allegiance Mobile Health would have been completing internal post payment audits as part of a compliance program. The Affordable Care Act has specific language that mandates a compliance program for providers enrolled in Medicare, Medicaid and Children's Health Insurance Program requiring the adoption of compliance programs as a condition of enrollment by March 23, 2013. Based on discussions with the Allegiance Mobile Health's staff it is evident that Allegiance Mobile Health does not have a compliance program as required by the Affordable Care Act.

### **Public Convenience**

*Per the City Code, an applicant shall not be granted a transfer franchise unless the council determines that the public convenience will be served by the issuance of the franchise. In all hearings, the burden of proof shall be upon the applicant to establish by clear, cogent and convincing evidence that the public convenience will be served by the granting of a transfer services agreement. In determining public convenience, the council shall consider the following:*

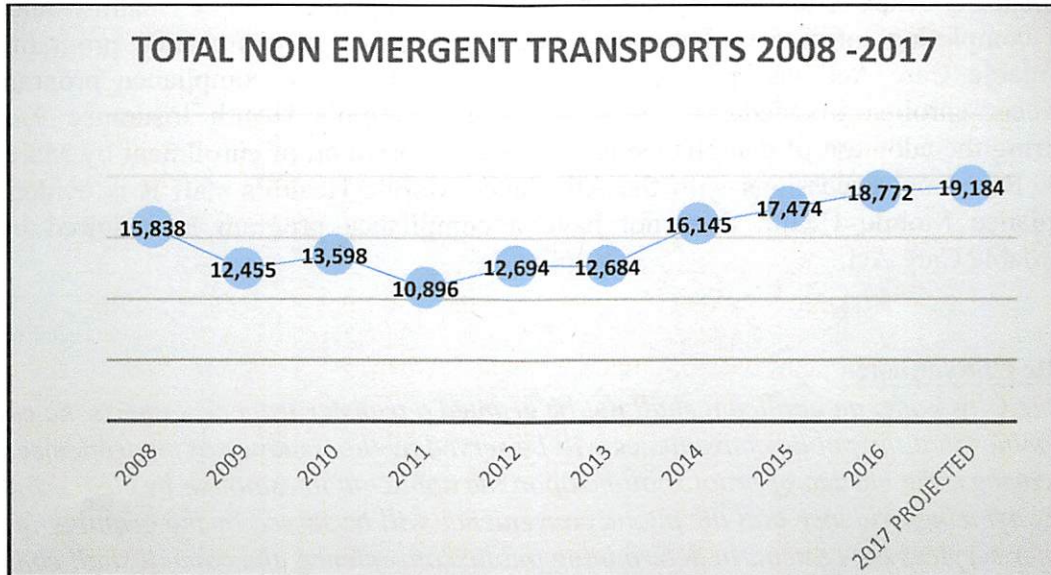
- 1. The distance from the permanent address at which the applicant proposed to operate the transfer service to hospitals and other medical facilities providing service to the public.*
- 2. In the event the applicant has previously participated in or is currently participating as an ambulance or transfer service, evidence as to whether the applicant performed or is performing in a satisfactory manner.*
- 3. The number of providers available to provide service in the area in which the applicant proposed to furnish service, and whether granting the franchise will adversely affect existing service so as to lower the standards of existing services and cause public inconvenience.*

The applicant began addressing the public convenience through a letter addressed to the ATCEMS Chief asserting that the pursuance of a franchise agreement is due to the following:

- "a response to a need for additional services and resources expressed by the local health care facilities in the region."
- "Since the addition of a second franchise in 1998, the City's total area population has grown from 613,458 to 949,587. According to the City Demographer's Population Histories and Forecasts, Austin's total area population is set to reach 1,033,072 by 2020."
- "Our clients, such as St. David's Health System and Baylor Scott & White, (scott and white have to facilities in Austin Proper) have requested we pursue a franchise

license and provide additional means of ambulance transportation to help mitigate this strain.”

The chart below provides historical context regarding the volume of non-emergency medical transfers within the Austin city limits:



### **Conclusion**

The City Code allows the council to extend an initial medical transfer franchise agreement for up to five years. If approved, the transfer service franchise holder will be subject to review and analysis on an annual basis with results being presented to the ATCEMS Advisory Board and council. Allegiance Mobile Health has adequately completed the application process as determined by City Code as noted in the staff findings above.

The remaining steps in the process are as follows:

- ATCEMS Advisory Board Review and Recommendation – November 1, 2017
- Set Public Hearing and First Reading for non-emergency transfer franchise – Date TBD
- 2<sup>nd</sup> & 3<sup>rd</sup> Readings for non-emergency transfer franchise – Date TBD