



## Lawsuit Says Dallas Ambulances Overcharged Federal Government by Millions of Dollars

Written On July 1, 2010 By [Bob Kraft](#)

Has the City of Dallas been over-charging for ambulance services? That's the gist of an article in the [Dallas Morning News](#) today. And now the city is facing a lawsuit from the federal government demanding repayment for as much as \$40 million in overcharges and penalties. I don't know whether these allegations are true, but I do know Dallas doesn't have room in the budget to pay out this much money. These are hard times for most city budgets, and this lawsuit is bad news for Dallas. Here are excerpts from the article:

The cash-strapped city of Dallas could owe the federal government \$40 million or more if a whistle-blower lawsuit's allegations of fraud involving billing for ambulance services prove true.

While the city says the specific amount it may owe the government has not been determined, it acknowledges that it is "fully cooperating" with federal authorities and will "move forward aggressively" to make sure any overpayment amounts are repaid.

The previously sealed lawsuit was filed earlier this year by Douglas Moore, a former assistant city auditor. It alleges that Dallas-Fire Rescue officials and the city's longtime

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ambulance service billing vendor knowingly collected fraudulent overpayments from Medicare and Medicaid.

According to the suit, the city and Southwest General Services of Dallas billed the government for “Advanced Life Support (ALS) level ambulance services for all 911 calls, regardless of whether the beneficiary’s condition required that level of service.”

The suit alleges that 100 percent of the city’s ambulance calls were billed at the advanced rate – which is more expensive than the Basic Life Support (BLS) level – even though the city’s own documents showed that at least 40 percent of its transport calls should have been billed at the lower cost.

According to the lawsuit and his attorney, Moore learned of the alleged overpayments last year while doing an audit of ambulance billing services. At an April 8, 2009, meeting, the suit says, he heard a Dallas Fire-Rescue captain say that every ambulance call is billed at the advanced level. A document later produced by another captain showed that 60 percent of the department’s ambulance calls are at the advanced level.

A patient requiring advanced services could, for example, need an ambulance equipped to treat a gunshot wound, while lower-level services might be for anything as simple as abdominal pain. The lawsuit says that when Moore met with Scott Fothergill, chief operating officer of Southwest General Services, Fothergill told him that the criteria for billing at the advanced rate was that the ambulance have the proper equipment and staff available for use. “The patient’s condition is immaterial,” the lawsuit states.