

PUBLICATION

No Sanctions for Basic Life Support Service Provider [Ober|Kaler]

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The Office of Inspector General (OIG) recently issued [Advisory Opinion 14-09](#) and concluded that a town that uses tax revenues to cover out-of-pocket expenses owed for basic life support (BLS) emergency ambulance services provided to its residents (Arrangement) would not be sanctioned under the civil monetary prohibition against inducements to beneficiaries (CMP) or the antikickback statute (AKS).

The Arrangement

A nonprofit corporation that operates a volunteer BLS squad (the Requestor) requested the advisory opinion. The Requestor provides BLS services to all of the town's residents and bills payers for its BLS services. However, for BLS services given to town residents, the Requestor neither collects a co-pay or deductible amount from residents nor collects any amount from uninsured or underinsured residents. Instead, the town pays the Requestor an annual stipend that reasonably approximates these uncollected amounts.

OIG Analysis

The OIG began its analysis by reciting its long-standing concern with the routine waiver of cost-sharing amounts and referred to its [1994 OIG Special Fraud Alert on Routine Waiver of Medicare Part B Copayments and Deductibles](#). However, similar to other BLS advisory opinions, the OIG concluded that the Arrangement would not be a routine waiver of cost-sharing amounts, and that the CMP against inducements to beneficiaries and the AKS were not implicated. The OIG concluded that the Arrangement was consistent with the OIG Compliance Program Guidance for Ambulance Suppliers, which permits a city or political subdivision of a state to pay a BLS supplier a stipend that reasonably approximates the amount of uncollected cost-sharing amounts from its residents.