Acadian Ambulance is again under fire for its billing practices, and this time tens of thousands of Louisiana residents could be lining up for reimbursement through a class action lawsuit. By Walter Pierce and Leslie Turk • Photos by Robin May
Acadian issues liens (redacted example at left) on insurance settlements, essentially taking a cut from the accident victim’s compensation.

they’re having to still pay health insurance, yet when Acadian comes for a collection, they don’t get the break that they deserve. Instead, Acadian says, “We don’t care.”

For the sake of simplicity, let’s say the full price Acadian would charge for its services is $100 and its contract with Blue Cross stipulates a reduced fee of $70. If Acadian honored the contract with Blue Cross, Centola contends, Jane Doe would pay a $15 deductible to Blue Cross, which would then turn around and pay Acadian the $70 contractual reimbursement fee. Acadian’s service cost Jane Doe $15 and cost Blue Cross $55 ($55 + $15 = $70, the contract’s reduced rate). But if Jane Doe agrees to, say, a $200 settlement with the third party’s insurance company, Acadian will place a $100 lien — the full cost of its services — on Jane’s settlement and Jane can’t get her settlement money until Acadian gets its pound of flesh.

Jane would have been on the hook for $15 if Acadian had honored its contract with Blue Cross. Now she has to pay Acadian $100, a net loss of $85, plus her settlement is cut in half.

That third party’s insurance company, Centola explains, will simply write the $200 settlement check to both Jane Doe and Acadian and let the two sides figure out who gets what. “You have to give Acadian their money to get your money because they have a lien,” he says.

Placing a lien on a settlement is a completely legal maneuver used by companies and governmental entities to ensure that money owed is paid. But, the lawsuit contends, that doesn’t make it right much less legal when it comes to rates agreed upon in a contract between Acadian and an insurance company.

Centola says that Acadian, through the liens it places on accident victim settlements, plays the role of a nuisance — it’s just easier to pay Acadian and get on with life.

“When it comes time to settle, the State Farm and the All States and everybody will say, ‘Well, wait, we can’t settle the case without paying Acadian and putting Acadian’s name on the check because they filed this lien,’ the
attorney says. "Our allegation is that the lien is improper, but they do have a legal mechanism by which they try to enforce what they think is their right."

"So what happens is, you end up representing a client who can't get paid until Acadian gets paid somehow-someway, and Acadian is willing to hold out forever for their $2,000 when they're holding up $10,000 or $20,000 for the victim. Inevitably people end up paying (Acadian) off just to get rid of them. We think that's wrong."

So does MedExpress President and CEO Mark Majors. "I don't know of anyone that does that," Majors says of Acadian's practice of sitting on the bill of a patient who has insurance until a settlement is reached. He says MedExpress bills on a timely basis. "We bill their insurance company or we bill the patient. If the patient and the insurance company both end up paying, 'we have to refund the money to the patients," he says.

Majors believes there is only one reason Acadian keeps getting in hot water over its billing practices: It's a monopoly. "The plaintiffs are not just going up against Acadian Ambulance, they are going up against what happens when you have a monopoly — the complaint of the plaintiffs is a product of an unregulated monopoly."

"When consumers — whether it's an individual, institutions or insurance companies or a governing body — have no choices, they have no choices in how they get stuck. As they begin to unravel, these billing practices, because of the monopoly, I think you'll see everything from the misconceptions of a free ambulance with a paid membership to true legal issues," Majors continues. "The bottom line is the consumer is the one left holding the bag in all the cases. Monopolies do that."

Majors fully understands the might of Acadian, as he himself threw in the towel and sold most of his south Louisiana assets to the company in 2002 amid Medicare cuts and a severe shortage of medics who were off to war. Majors, however, returned in 2009 to his home parish of St. Landry to go head-to-head against Acadian and St. Landry EMS in a rare environment that has welcomed ambulance competition.

His Alexandria-based company today provides ambulance and paramedic services in six parishes and two military bases, competing directly with Acadian in St. Landry Parish only. In most parishes and counties, Acadian negotiates sole-provider contracts, much like the one it has with Lafayette Consolidated Government, for emergency and non-emergency transports. "By design, Acadian's contracts [with local governments] are perpetual," Majors says.

Centola estimates the size of the class, that is, people who were transported/ received emergency medical care from Acadian and who had insurance with a company contracted for a reduced rate, will "number in the tens of thousands throughout the state."

Court documents related to the case suggest that Acadian was methodical in pursuit of the contested billing practice. "Debra Martin, the Acadian corporate representative, testified that there were at least 500 people in the past year who were insured, received covered health care services, yet Acadian attempted to collect more than the contractual reimbursement rate."

Moreover according to a footnote in the 3rd Circuit ruling, Martin is paraphrased as revealing in a hearing that Acadian "could perform searches in its database to see who was insured and to see who Acadian had labeled as having liability as the responsible party. In other words, Acadian kept close tabs on people it could seek 100 percent of a bill from rather than charge their insurance companies for the agree-upon reduced rate."

A regional economic powerhouse with 3,600 employees in three states — largely due to its fast-expanding Evergreen division, its medical revenue alone increased about 9.5 percent last year, to $285 million, and is expected to reach $320 million this year, according to company officials. In addition, Acadian has been under fire for its billing practices in the past. In the late 1990s it settled two federal lawsuits filed by Blue Cross/Blue Shield and Golden Rule Insurance Co., both of which claimed they'd been overbilled for patients covered under various insurance policies and programs. The insurance companies took legal action against Acadian in 1996, the same year a whistleblower filed a civil suit against the ambulance provider on behalf of the U.S. government — a suit that was sealed until the Justice Department announced a $1.9 million fine against Acadian for overbilling Medicare and Medicaid programs from 1990 to 1994 (for his efforts, the whistleblower got 15 percent of the settlement).

At the heart of the government's case was that Acadian had been billing Medicare and Medicaid for kidney dialysis patients who were not bedridden. Not only could some of the dialysis patients Acadian transferred have gotten out of bed, some actually walked to the ambulance. In its suit, Blue Cross claimed that it was billed as a supplemental Medicare provider for some of those same patients and also contended it was billed for copayments or deductibles when the patient was a member of Acadian and should have had his deductible waived.

When the settlement was announced, the feds said they were not pursuing criminal charges because Acadian had changed some of its billing practices when the investigation began.

Meanwhile, pending a possible review by the state Supreme Court, the Avoyelles Parish case appears headed back to the 12th Judicial District for discovery. Centola says, meaning attorneys on both sides will be sharing documents and depositions as they prepare to go to trial.

Centola's law firm will simultaneously work with the judge to determine how they'll build the class, likely, he says, through newspaper and radio ads and direct mail alerting anyone who believes they may have been improperly billed by Acadian to join the suit — not unlike the television ads seeking people who might have been exposed to asbestos and contracted mesothelioma.

"Acadian has defended, and will continue to vigorously defend, against the allegations being made and we believe the claims of the plaintiffs in the underlying case will ultimately be denied," Acadian's Pharr says.

Centola is reluctant to estimate how much the fast-growing company could be on the hook for if the plaintiffs prevail. "We still have a lot of hurdles to get over," he says. "It's in the seven figures, but I'd be hesitant to give you a figure of anything greater than that, but we expect to recover a seven-figure amount."

Majors thinks Acadian will have a difficult time defending the practice. "This smacks of a huge issue with Acadian," he says. "I think it's the tip of the iceberg."