

In the Matter of

**Mobile Life Support Services, Inc.**

Assurance No.: 22-051

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**ASSURANCE OF DISCONTINUANCE  
UNDER EXECUTIVE LAW  
SECTION 63, SUBDIVISION 15**

As authorized by Article 22-A of the General Business Law and Executive Law § 63(12), Letitia James, Attorney General of the State of New York, conducted an investigation into the billing practices of Mobile Life Support Services, Inc. Based upon that investigation, the Office of the Attorney General has made the following findings, and Mobile Life has agreed to modify its practices, discontinue certain practices, and assure its compliance with the following provisions of this Assurance of Discontinuance (“Assurance”).

**DEFINITIONS**

1. The following terms as used throughout this Assurance are defined as follows:
  - a. “Health Plan” shall mean a person, natural or corporate, or any groups of such persons, authorized as health insurers or managed care organizations under New York Insurance Law to offer comprehensive health coverage.
  - b. “Consumer” means an enrollee, covered person, or subscriber of a Health Plan who receives emergency ground ambulance services from Mobile Life Support Services, Inc.

**ATTORNEY GENERAL’S INVESTIGATION**

2. Mobile Life Support Services, Inc. (“Mobile Life”) provides ground ambulance services in the State of New York. Mobile Life is incorporated in the State of New York, and is certified to operate as an ambulance service pursuant to New York Public Health Law § 3005. Its principal office is located at 3188 Route 9W, New Windsor, New York 12553.
3. The Health Care Bureau of the Office of the New York State Attorney General (“OAG”) received complaints from Consumers who received ambulance services from Mobile Life and were subsequently billed by Mobile Life for the difference between Mobile Life’s charge and the payment by the Consumer’s Health Plan. This practice is known as “balance billing,” and is specifically prohibited by New York Insurance Law §§ 3216[24], 3221[15] and 4303[aa] for emergency ground ambulance services provided to Members of Health Plans, regardless of whether

or not the ambulance service is a participating provider within the Health Plan’s network.

4. In one instance, the OAG received a complaint that Mobile Life billed an individual Consumer for ambulance services, even though the Consumer had coverage with a Health Plan: the Health Plan made a payment to Mobile Life according to the usual and customary charge, in accordance with New York Insurance Law. Mobile Life accepted the payment, yet billed the Consumer the difference between the full charge and the payment received. When the Health Plan advised Mobile Life that New York law forbade the company from balance billing the Consumer, Mobile Life claimed incorrectly that it was permitted to do so because the Consumer’s Health Plan was not an HMO (Health Maintenance Organization). When the Health Plan repeated its admonition, Mobile Life continued to bill the Consumer directly for the balance of its bill.

5. Such activity is additionally problematic because when Mobile Life bills Consumers—even improperly—and does not receive payment in full, its policy is to refer those Consumer accounts to a debt collector.

#### **STATUTORY AND REGULATORY VIOLATIONS**

6. New York State's “Ambulance Mandate” effective January 1, 2002, requires coverage of “prehospital emergency medical services” by Health Plan policies providing major medical or similar comprehensive health care coverage (Insurance Law §§ 3216[24][A], 3221[15][A] and 4303[aa][1]). “Prehospital emergency medical services” include “prompt evaluation and treatment of an emergency medical condition, and/or non-airborne transportation to the hospital” (Insurance Law §§ 3216[24][E][I], 3221[15][E][I] and 4303[aa][5][A]).

7. Health Plans are required to pay emergency ground ambulance claims at either the rate negotiated between the Health Plan and provider if a participating provider contract exists, or the usual and customary charge, which shall not be excessive or unreasonable, if no participating provider contract exists. (Insurance Law §§ 3216[24][C], 3221[15][C] and 4303[aa][3]).

8. A Health Plan’s payment is considered payment in full for the services provided, thus prohibiting an ambulance service from seeking any additional reimbursement from the Consumer, except the collection of copayments, coinsurance, or deductible amounts for which the Consumer is responsible. (Insurance Law §§ 3216[24][B], 3221[15][B] and 4303[aa][2]).

9. Accordingly, an ambulance service provider such as Mobile Life cannot bill a Consumer who has comprehensive health care coverage for the difference between its

charges and the Health Plan’s payment (other than for applicable copayments, coinsurance, or deductible amounts). Billing the Consumer for such difference constitutes improper balance billing under the New York State Ambulance Mandate.

10. Other provisions of New York State law also prohibit Mobile Life’s improper billing and collection efforts, such as:

- a. Article 22-A of the New York State General Business Law prohibits “deceptive acts and practices in the conduct of any business, trade or commerce or in the furnishing of any service in this state....” (General Business Law § 349[a]);
- b. Executive Law § 63(12) prohibits repeated fraudulent or illegal acts in the transaction of business; and
- c. Article 29-H of the General Business Law prohibits any creditor or agent of a creditor from attempting or threatening to enforce a right with knowledge or reason to know that the right does not exist (General Business Law § 601[8]).

11. Based on the findings of the Attorney General’s investigation, the Attorney General has determined that Mobile Life’s billing practices have resulted in violations of General Business Law Article 22-A, Executive Law § 63(12), and General Business Law Article 29-H.

**WHEREAS**, the Attorney General is willing to accept the terms of this Assurance under Executive Law § 63(15) and to discontinue his investigation; the parties each believe that the obligations imposed by this Assurance are prudent and appropriate; and the Attorney General has determined that this Assurance is in the public interest.

**IT IS HEREBY UNDERSTOOD AND AGREED**, by and between the parties that:

**PROSPECTIVE RELIEF**

1. Mobile Life agrees to modify its billing practices, procedures, and policies to comply fully with all New York State laws and regulations and the requirements of this Assurance.

2. Mobile Life shall bill a Consumer’s Health Plan directly and in the first instance. Only after Mobile Life receives payment from a Consumer’s Health Plan for covered services—or promise of payment in the form of an explanation of benefits, claim detail, or similar document—may Mobile Life bill the Consumer, but such billing is permitted only if the Consumer owes a copayment, coinsurance, or amount applied to a deductible. The bill shall clearly and conspicuously indicate that the Consumer’s responsibility is limited to any applicable copayment,

coinsurance, or amount applied to deductible. The bill shall reflect that the remainder of the account is adjusted to zero.

3. If the health insurance status of a Mobile Life patient is not known to Mobile Life, Mobile Life's first communication with the patient shall be only for purposes of requesting necessary insurance information. The communication shall include a notice that for Consumers who have Health Plan coverage for the ambulance services provided, Consumers are responsible only for copayments, coinsurance, and amounts applied to deductibles.

4. If a patient is asked for but does not provide the requested health insurance information within twenty-five (25) days of the request date, Mobile Life will send the patient a second and final written request ("Final Request"). The Final Request shall state that if the patient does not respond to the Final Request within twenty (20) days, Mobile Life may bill the patient. The Final Request shall also include a second notice informing Consumers who have Health Plan coverage for the ambulance services provided that they are responsible only for copayments, coinsurance, and amounts applied to deductibles.

5. If Mobile Life learns that a Health Plan submitted payment for an ambulance charge directly to a Consumer, Mobile Life shall allow forty-five (45) days for the Consumer to forward the payment before billing the Consumer.

6. No bill sent to Consumers shall contain language claiming that an amount is overdue, when no payments are due from the Consumer.

7. Mobile Life shall not refer to a debt collector any patient accounts for services for which a Consumer has Health Plan coverage, or because correspondence to the patient is returned due to an incorrect address or the patient's current address is otherwise unknown.

8. Mobile Life shall develop a training curriculum and train all staff to comply fully with these new practices, procedures and policies, and all New York State laws and regulations and the requirements of this Assurance.

### **CONSUMER RESTITUTION**

9. Mobile Life shall pay full restitution plus twelve (12) percent interest per annum to those Consumers of Health Plans, and 1) who received covered services at any time from June 1, 2016 through the Effective Date of this Assurance; and 2) who were billed by Mobile Life and paid for services other than for applicable copayments, coinsurance, and deductible amounts. The Consumers who meet these three conditions will be called "Eligible Consumers."

10. In order to ensure that restitution is provided to all Eligible Consumers, Mobile Life will hire an independent reviewer approved by the OAG, who has experience auditing medical

billing and claims records and is certified and/or credentialed for reviewing medical claims (“Auditor”). The Auditor shall be retained within sixty (60) days of the Effective Date of this Assurance. Within ninety days from the date the Auditor is retained, the Auditor shall complete its review of Mobile Life records in order to identify all Eligible Consumers. If after review, the Auditor is unable to determine definitively whether a Consumer shall be considered an Eligible Consumer, the default determination shall be that the Consumer is an Eligible Consumer.

11. Within sixty days from the date that all Eligible Consumers are identified by the Auditor, Mobile Life shall issue a restitution payment to each Eligible Consumer, which shall reimburse Eligible Consumers the amount they were billed and paid for covered services, other than for applicable copayments, coinsurance, and deductibles. The restitution payment shall also include twelve (12) percent interest per annum from the date the Consumer made the first payment to the date restitution is issued.

12. Mobile Life shall send by regular mail the restitution payment to the last known address of the Eligible Consumer. Mobile Life shall make reasonable efforts to ensure the restitution payments are received, which shall include but not be limited to contacting the United States Post Office for a possible forwarding address if the payment is returned.

13. The Auditor shall also identify all Consumers who were billed for covered services rendered by Mobile Life at any time from June 1, 2016 through the Effective Date of this Assurance, and whose accounts were sent to a debt collector. These Consumers will be identified as “Collection Consumers.” For Collection Consumers, Mobile Life shall 1) instruct the debt collector to cease all collection activity; 2) set the balance including all fees and interest to \$0 in both Mobile Life's accounts and that of the debt collector; and 3) request that all major credit bureaus remove any derogatory information reported for the Collection Consumer. If the Collection Consumer paid any amounts prior to the referral to a debt collector, the Collection Consumer shall also be deemed an Eligible Consumer and as such be paid restitution.

14. In addition to the Auditor’s review and identification of Eligible Consumers and Collection Consumers, within thirty (30) days from the date the Auditor is retained, Mobile Life shall send a notice to Consumers who paid for covered services rendered by Mobile Life at any time from June 1, 2016 through the Effective Date of this Assurance. The notice will read, in yellow highlighted and bold-face, fifteen-point or larger type: “You may be owed money for payments you made if you were covered by health insurance at the time of service. If you paid more than your copayment, coinsurance, or deductible, please submit a claim to Mobile Life at 3188 Route 9W, New Windsor, New York 12553, Attn: New York AG claim, by identifying the

date(s) of service and amount you believe you overpaid. An independent reviewer will review your claim and provide a refund if deemed appropriate in the reviewer's discretion.” This notice shall also be posted on the home page of the Mobile Life website and at the top of its Billing FAQ page.

15. The Auditor will review all claims received from Consumers in response to the notice, and issue further refunds to Consumers who the Auditor determines are Eligible Consumers.

16. Within sixty (60) days from the date all restitution payments are made, Mobile Life shall submit to the OAG a restitution report that includes, for each claim: the identity of the Eligible Consumer, the date(s) of service, the restitution amount with an explanation as to how it was calculated, the date restitution was issued, the address to which the restitution was sent, and whether the payment was returned. In addition, the report shall (i) identify all Collection Consumer accounts, including the identity of the Collection Consumer, the identity of the provider(s) involved in the claim, the date(s) of service, and the total balance including fees and interest; and (ii) contain a confirmation that collection activity has ceased, and the account has been cleared, as well as a confirmation that major credit bureaus have been requested to remove any derogatory information reported for the Collection Consumer. Lastly, the report shall contain the number of notices that were sent to Consumers, whether a claim for restitution was made, and the outcome of that claim.

17. Eighteen (18) months after the restitution and collection reports are submitted to the OAG, the Auditor shall examine claims incurred since the Effective Date of the Assurance to ensure compliance with the terms of this Assurance. If the auditor identifies instances in which Consumers continue to be improperly balance billed, Mobile Life shall pay full restitution to each Consumer so affected, and it shall also pay a penalty to the OAG of \$15,000 for each such balance billing violation, as well as be subject to further action as the OAG deems appropriate. In addition, the Auditor shall submit a report to the OAG, in the same format as the previous restitution and collection reports, identifying all instances of improper balance billing.

18. Mobile Life shall continue to cooperate with the OAG and promptly resolve all consumer complaints that the OAG submits to Mobile Life, or that otherwise come to the attention of Mobile Life, which shall include issuing appropriate restitution to Consumers.

19. Mobile Life shall bear all costs for the procedures set out in this section.

#### **PENALTIES**

20. Within sixty (60) days of the Effective Date of this Assurance, Mobile Life shall

pay \$100,000.00.

## **CORRESPONDENCE AND PAYMENT**

21. All notices, reports, requests, and other communications to any party pursuant to this Assurance shall be in writing and shall be directed as follows:

If to the OAG to:

Carol Hunt  
Assistant Attorney General  
Office of the Attorney General  
Health Care Bureau  
28 Liberty Street, 19<sup>th</sup> Floor  
New York, New York 10005

If to Mobile Life to:

Timothy G. Scannell  
Vice President, Chief Financial Officer  
Mobile Life Support Services, Inc.  
3188 U.S. Route 9W  
New Windsor, New York 12553

22. All checks issued pursuant to this Assurance shall be made payable to “State of New York Department of Law.”

23. All payments and correspondence related to this Assurance must reference “Assurance 22-051.”

## **MISCELLANEOUS**

### Successors and Third Parties

24. This Assurance and all obligations imposed on or undertaken by Mobile Life herein, will be binding upon and enforceable against Mobile Life and its officers, directors, agents, employees and assignees, and any subsequent owner or operator (whether by merger, transfer of control, contractual arrangements, or other means) of Mobile Life.

### Mobile Life’s Representations

25. The OAG has agreed to the terms of this Assurance based on, among other things, the representations made to the OAG by Mobile Life and the OAG’s own factual investigation. To the extent that any material representations are later found to be inaccurate or misleading, this Assurance is voidable by the OAG in its sole discretion.

### No Deprivation of the Public’s Rights

26. Nothing herein shall be construed to deprive any person of any private right under law or equity.

### No Blanket Approval by the Attorney General of Mobile Life’s Practices

27. Acceptance of this Assurance by the OAG shall not be deemed or construed as

approval by the OAG of any of Mobile Life's acts or practices, and Mobile Life shall make no representation to the contrary.

#### Monitoring by the OAG

28. To the extent not already provided under this Assurance, Mobile Life shall, upon request by the OAG, provide all documentation and information necessary for the OAG to verify compliance with this Assurance, at Mobile Life's expense. This Assurance does not in any way limit the OAG's right to obtain, by subpoena or by any other means permitted by law, documents, testimony, or other information.

#### No Limitation on the Attorney General's Authority & Mobile Life's Duty to Honor Investigation and Obligations

29. Nothing in this Assurance in any way limits the OAG's ability to investigate or take other action with respect to any non-compliance at any time by Mobile Life with respect to this Assurance, or Mobile Life's noncompliance with any applicable law with respect to any matters.

#### Nondisparagement of Assurance

30. Mobile Life shall not take any action or make any statement denying, directly or indirectly, the propriety of this Assurance or expressing the view that this Assurance is without factual basis. Nothing in this paragraph affects Mobile Life's (a) testimonial obligations or (b) right to take legal or factual positions in defense of litigation or other legal proceedings to which OAG is not a party.

#### Governing Law; Effect of Violation of Assurance of Discontinuance

31. Under Executive Law § 63(15), evidence of a violation of this Assurance shall constitute prima facie proof of a violation of the applicable law in any action or proceeding thereafter commenced by the OAG.

32. This Assurance shall be governed by the laws of the State of New York without regard to any conflict of laws principles.

33. If a court of competent jurisdiction determines that Mobile Life has breached this Assurance, Mobile Life shall pay to the OAG the cost, if any, of such determination and of enforcing this Assurance, including without limitation legal fees, expenses, and court costs.

34. In the event that any one or more of the provisions contained in this Assurance shall for any reason be held to be invalid, illegal, or unenforceable in any respect, in the sole discretion of the OAG such invalidity, illegality, or unenforceability shall not affect any other provision of this Assurance.

35. Any failure by the OAG to enforce this entire Assurance or any provision thereof

with respect to any deadline or any other provision herein shall not be construed a waiver of the OAG's right to enforce other deadlines and provisions of this Assurance.

Entire Agreement; Amendment

36. No representation, inducement, promise, understanding, condition, or warranty not set forth in this Assurance has been made to or relied upon by Mobile Life in agreeing to this Assurance.

37. This Assurance contains an entire, complete, and integrated statement of each and every term and provision agreed to by and among the parties, and the Assurance is not subject to any condition not provided for herein. This Assurance supersedes any prior agreements or understandings, whether written or oral, between the OAG and Mobile Life regarding the subject matter of this Assurance.

38. This Assurance may not be amended or modified except in an instrument in writing signed on behalf of all the parties to this Assurance.

39. The division of this Assurance into sections and subsections and the use of captions and headings in connection herewith are solely for convenience and shall have no legal effect in construing the provisions of this Assurance.

Binding Effect

40. This Assurance is binding on and inures to the benefit of the parties to this Assurance and their respective successors and assigns, provided that no party, other than the OAG, may assign, delegate, or otherwise transfer any of its rights or obligations under this Assurance without prior written consent of the OAG. Mobile Life represents and warrants, through the signatures below, that the terms and conditions of this Assurance are duly approved, and execution of this Assurance is duly authorized.

Effective Date

41. This Assurance is effective on the date that it is signed by the Attorney General or his authorized representative (the "Effective Date"), and the document may be executed in counterparts, which shall all be deemed an original for all purposes.

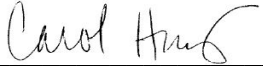
**AGREED TO BY THE PARTIES:**

Mobile Life Support Services, Inc.

By: *pamela finnerty*  
Pamela Finnerty  
CEO, Mobile Life Support Services, Inc.

Dated: September 12, 2022

**CONSENTED TO:**  
**LETITIA JAMES**  
Attorney General of the State of New York

By:   
Carol Hunt  
Assistant Attorney General, Health Care Bureau

Dated: September 14, 2022