

Ambulance providers who say they were stiffed by prison contractor plea for help

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LANSING- Emergency medical services providers are asking Michigan lawmakers to reimburse them more than \$6 million after the state prison agency's former health care contractor did not pay for ambulances sent in response to 911 calls, the EMS providers say.

The issue affects an estimated 15 providers across the state companies, nonprofits, fire departments and other government-run operations, according to Michigan Association of Ambulance Services Executive Director Angela Madden. The group hopes legislators set aside the money in a supplemental spending bill when they return next week from a summer break. The pre-election session could be short.

"With the staffing issues and the increased costs that EMS agencies are experiencing right now, to have us carry this deficit and this deficiency in our compensation for work that we've already completed, it's a really tall order and a very large ask," Madden said, saying the providers are legally required to respond to 911 requests. "I don't know of any other business out there or entity out there that would be expected to do the same. We really hope we can find a resolution."

The contractor, Nashville, Tenn.-based Wellpath LLC, provided prisoner health care services to the Michigan Department of Corrections for three years before its contract ended in April. The unreimbursed bills generally cover the period from last fall until the spring, Madden said.

"The fact that Wellpath has said that they are just not going to pay those claims really affects the cash flow of these agencies to continue their mission of providing high-level medical care to their local communities," she said.

Crain's left messages seeking comment with the company.

In July, John Longfield-Smith, Wellpath's senior vice president of payer solutions, wrote a letter to unpaid providers saying it lost about \$1 million a month working for the Michigan Department of Corrections and roughly \$2 million per month working for the Georgia Department of Corrections, "mainly due to assumptions made based on information provided by MIDOC and GDC that turned out to be false."

He did not elaborate, though a lawmaker said the company claims administrators did not disclose that it would be responsible for paying emergency responders.

At the same time, Longfield-Smith wrote, Wellpath "burned through our limited cash reserves paying sign-on bonuses to nurses to keep our clinics staffed and to purchase PPE for our sites."

"To be completely transparent we lost more than \$30M in MI and \$60M in GA, which means that for the past three years Wellpath has been subsidizing the care for MI and GA Inmate patient care." Longfield-Smith wrote. "We are fortunate to be out of these contracts, as another six months without modifications to the contracts, could have caused even more damage to the company."

He said Wellpatch was looking to sell its profitable \$500 million behavioral health division, Recovery Solutions, to "significantly improve our balance sheet. We anticipate the transaction to be complete by EOY. We ask for consideration in the form of time to get through the transaction."

MDOC spokesperson Jenni Riehle said the department was aware of EMS providers' request.

Madden said the department has been helpful. She expressed optimism that legislators will provide funding.

Amber McCann, a spokesperson for Democratic House Speaker Joe Tate, said he "has been made aware of this issue, but no specific decisions have been made regarding a potential supplemental." Rosie Jones, the spokesperson for Democratic Senate Majority Leader Winnie Brinks, said she, too, was aware of the request and was looking into it.

Rep. Jaime Greene, R-Richmond, said it is "absolutely outrageous" that providers were not paid.

"It's time for the Legislature to step in and right this wrong," she said while calling on the state attorney general and Michigan auditor general to investigate.

One of the affected EMS providers is Ann Arbor-based Emergent Health Partners, which owns and operates six ambulance services in 14 counties across southern Michigan, including in metro Detroit.

President and CEO Ron Slagell said three providers whose territories include prisons Huron Valley Ambulance, Jackson Community Ambulance and LifeCare Ambulance are owed more than \$1.2 million. Jackson is due \$630,000, Huron Valley \$430,000 and LifeCare \$193,000, he said.

"We're a large enough organization (that) since we haven't been paid, everything's OK now," Slagell said. "But it's going to mean some delays. Delays in buying some new ambulances that we need to replace. It may have other impacts. If we never get paid, it'll have impacts on other services that we're able to upgrade or the increases in pay we need to give to our staff. Over \$1 million owed our affiliated companies, we can't just eat that and not expect someone to cover those costs. We've already provided the service."