State Prober Finds Ambulance Fee Boosts for Welfare Legal

BY JOSEPH McLAUGHLIN
[Chicago Tribune Press Service]

Springfield, Ill., June 24—A legislative commission heard today how a former public aid employe found loopholes in the law that allowed him to make money on state payments for ambulance service to welfare recipients.

William J. Nettles, chief investigator for the attorney general's office, said the former employe, Frank Andrew, apparently was operating within the law, even tho his business was costing the state money in higher welfare payments.

Nettles testified before the Public Aid Advisory commission, which is looking into alleged fraud, sadism, and police payoffs in ambulance services uncovered by THE TRIBUNE and Better Government association.

Billed for 3 Services

Nettles said he was ordered to look into Andrew's business, the Illinois Medical Payments System, Inc., after a TRIBUNE story disclosed the business was acting as an agent for three ambulance services in billing the public aid department. The story told how Andrew consistently raised the companies' bills to the department to the maximum allowed by law.

An investigation confirmed THE TRIBUNE story but failed to turn up discrepancies in Andrew's records, Nettles said. After checking Andrew's corporate charter and public aid laws, Nettles said he didn't "see how we can take him into court."

The only remedy, Nettles suggested, would be for the public aid department to find some administrative procedure to cut out Andrew and other middle men who allegedly are engaged in the same practice.

Knew Aid Processes

Both Nettles and Harold O. Swank, state public aid director, attributed Andrew's success to his knowledge of public aid procedures. Andrew, who was once the department's medical payments chief, knew how the department computers were programmed and how to prevent them from rejecting bills, Swank said. As a result, Andrew could guarantee his clients faster payment, he said.

About 12 per cent of the 800,000 medical bills a month are rejected, resulting in delays of up to 35 days, Swank said.

James McCaffrey, Better Government association agent, told the commission that investigations showed Andrew consistently raised fees for ambulance service to welfare cases from $30 to $36 and for oxygen from $7 to $10. He said Andrew also added night service charges of $2 to his client's bill, even when they had not indicated night service on the ticket they sent him.

Less for Private Cases

In some instances, McCaffrey said, ambulance companies subscribing to Andrew's service were billing $36 for welfare patients and only $30 for private cases.

Nettles said Andrew had billed the public aid department for $220,000 in ambulance services during a four-month period this year. Firms represented by Andrew include Mid-America Ambulance company, 5651 Madison st., A-Alamo Ambulance company, of the same address, and Scully-Walton Ambulance company, 15 N. Laramie av.