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Press Release

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HHS, IRS & DOJ Block and Freeze \$17M in Payments for Emergency Ambulance Services, Now Wants Company to Pay Taxes on the Very Same Services Government Never Paid For

The U.S. government halted payments to hundreds of thousands of Medicare providers in May 2008 without any warning or notice when the 2008 Great Recession rolled in. The Treasury needed \$1.5 trillion quickly for Wall Street, and, as usual, the Medicare Trust Fund was the go-to source. As a result, those providers were booted from the Centers for Medicare and Medicaid Services (CMS) for at least 10 months to 2 years—if they were lucky. 312,266 healthcare providers were put out of business, all seemingly conservative, and over 4,000 in Virginia. CMS is part of Health & Human Services and administers Medicare and Medicaid.

Congress did not budget the \$1.5 trillion bailout of Wall Street in its \$3.5 trillion Fiscal Budget for FY2008, so the only place to rob funds from was the already in-the-red Medicare Trust Fund. CMS intentionally tossed out half of its 1.2 million providers, telling them months later they had to re-enroll again as if they never existed. CMS effectively ended spending its FY2008 Budget 5 months early for those affected, about 45%, or at least 300,000 - 500,000 physicians and suppliers. CMS contracts with insurers for operations, many of which are Medicare Advantage and Supplemental Medicare providers, so they did not complain and went along with the ruse.

After CMS wasted providers' time in their ruse, they coordinated with the IRS to block them further over taxes that may have risen during the period CMS never paid them for. This problem was, and still is, at the forefront of the National Tax Advocate Reports to Congress from 2008-2012 Action Items. An Automated Collection System (ACS) immediately strips notice and due process from taxpayers, driving the situation into the ground with 100% penalties. The IRS threw the normal 20-24 months of notices out the window and began levies immediately. All this was done to not pay and eliminate them.

CMS and the DOJ then targeted the same providers in Virginia with fictitious overpayment demands the same month. Medicaid and other insurers followed suit and stopped paying across the board. CMS then proclaimed a 30-day window for prior claims submissions. All of this now appears to be a larger ruse to clear the path for Obama and Obamacare on top of ripping off providers. The big question remains: where did those budgeted funds disappear to?

Lifeline Ambulance Service is one of the 312,266-plus providers that ceased to exist after the boot, unable to “float” the government for a year or two during the 2008 credit freeze. CMS was blocking \$4 million in unpaid claims, holding them hostage. Now the IRS wants taxes paid on that stiffed amount with extraordinary penalties, before 100% penalties and interest are piled on, without discussing the \$13 million in business they obstructed. All of this is on top of Congress telling the IRS in 1998 to lay off levies as part of the Rehabilitation and Reform Act of 1998.

An IRS officer appeared at Lifeline Ambulance Service after more than 7 months of waiting for a return call, taking \$330,000 from them in late May 2009, many times more than any alleged amount that may have been in dispute at that point. Lifeline was waiting on a refund, never credited to their account nor provided an explanation. The revenue officer deliberately violated the company and owners' due process and privacy rights. She denied any knowledge of “government payment problems,” far from the truth.

Lifeline Ambulance Service had more than 20 years of business under its belt, 11 offices, 39 ambulances, and was the leader in Virginia. As soon as CMS stopped paying them, within 90 days the IRS was levying the company and advertising them as deadbeats, obstructing their payments, rights, and ability to do business.