

Ruben Gallego was a director for a company that faced a federal investigation for allegedly committing Medicare fraud in Arizona. Meanwhile, Gallego supports a plan that would cut Medicare spending by over \$800 billion dollars, which could harm seniors' access to healthcare.

Gallego was public affairs director for Southwest Ambulance.

- A 2011 profile of Gallego listed him as the public affairs director of Southwest Ambulance.

### New lawmaker profile: Rep. Ruben Gallego, D-Phoenix

By: Alyson Zepeda, Cronkite News Service February 10, 2011



*Name:* Ruben Gallego??  
*Chamber:* House of Representatives  
*Party:* Democrat  
*Profession:* Business owner; public affairs director, Southwest Ambulance.  
*Hometown:* Phoenix

(“New lawmaker profile: Rep. Ruben Gallego, D-Phoenix,” [AZ Capitol Times](#), 2/10/11)

- On his state-level financial disclosure statement filed with the Arizona Secretary of State in 2011, Gallego reported compensation in excess of \$1,000 from Southwest Ambulance, where he served as public affairs director.

#### 2. Sources of Personal Compensation

What to disclose: The name and address of each employer who paid you, your spouse, or any member of your household more than \$1,000 in salary, wages, commissions, tips or other forms of compensation during the period covered by this report. Describe each employer's business and the services for which you or a member of your household were compensated.

Also, list anything of value that any other person, outside your household, received for your use or benefit of you or any member of your household. For example, if a person was paid by your employer to be your housekeeper, list that person's wages and the name of the employer.

You need not disclose: Any money you or any member of your household received that was gross income paid to a business you or your household member owned.

PUBLIC OFFICER OR MEMBER OF HOUSEHOLD	NAME AND ADDRESS OF EMPLOYER OR OTHER SOURCE OF COMPENSATION OVER \$1,000	DESCRIPTION OF EMPLOYER'S BUSINESS AND SERVICES PROVIDED BY PUBLIC OFFICER OR MEMBER OF HOUSEHOLD
Ruben Gallego	Southwest Ambulance 1521 N. 19th Ave, Phoenix, AZ	Ambulance Service Public Affairs Director
Kate Gallego	SRP 1521 N. 19th Ave, Phoenix, AZ	Senior Policy Analyst

(Ruben Gallego, Financial Disclosure Statement, [Arizona Secretary of State](#), Filed 2/8/11)

- Gallego's financial disclosure statement covered the 12 months of calendar year 2010.



- **Southwest Ambulance was founded in Phoenix and was acquired by Rural/Metro in 1997.** “Southwest Ambulance was founded in Phoenix in 1982 and was acquired by Rural/Metro in 1997.” (Ronald J. Hansen, “Gallego gave cash to his employer’s corporate political fund as Citizens United era dawned,” [The Arizona Republic](#), 09/01/23)

**Federal investigators probed Rural/Metro’s billing practices in Arizona for a period of time that included when Ruben Gallego worked for Southwest Ambulance.**

- **Federal investigators probed Rural/Metro’s billing practices in Arizona for a period of time that included when Ruben Gallego worked for Southwest Ambulance.** “Warburg told the Times the company made operational changes, but the ‘challenges Rural/Metro faced were too difficult to overcome.’ One of those challenges involved a federal investigation probing its billing practices in Arizona and elsewhere for a period that included when Gallego worked in community affairs for Southwest Ambulance.” (Ronald J. Hansen, “Gallego gave cash to his employer’s corporate political fund as Citizens United era dawned,” [The Arizona Republic](#), 09/01/23)

**Rural/Metro agreed to pay the federal government \$2.8 million to settle allegations that it “ripped off Medicare.”**

- **Days after a bankruptcy judge approved a plan to manage the company’s debt, Rural/Metro “signed a settlement agreement with the federal government stemming from alleged overcharges to Medicare, the largest source of income to the company.”** “Days later, the company signed a settlement agreement with the federal government stemming from alleged overcharges to Medicare, the largest source of income to the company, according to financial records filed with the government.” (Ronald J. Hansen, “Gallego gave cash to his employer’s corporate political fund as Citizens United era dawned,” [The Arizona Republic](#), 09/01/23)
  - **Rural/Metro Corporation agreed to pay the federal government \$2.8 million to settle allegations that it “ripped off Medicare” by falsely billing patient transports as emergencies.** “Rural/Metro Corporation agrees to pay the federal government \$2.8 million to settle allegations that it ripped off Medicare by falsely billing patient transports as emergencies.” (Ray Stern, “Rural/Metro to Pay \$2.8 Million Settlement for Billing Patient Transports as Emergencies,” [Phoenix New Times](#), 12/26/13)
  - **The settlement resolved allegations that subsidiaries of Rural/Metro, including Southwest Ambulance, falsely billed Medicare for transporting patients between hospitals on an emergency basis when in fact the calls were not emergencies between January 2007 and December 2011.** “The settlement agreement resolves allegations that from Jan. 1, 2007, through Dec. 31, 2011, various ambulance companies owned and operated by Rural/Metro—including SW General Inc., dba Southwest Ambulance; Southwest Ambulance of Casa Grande Inc., dba SWARA; and Southwest Ambulance of Tucson Inc., dba Kords Ambulance—billed Medicare for transporting patients from one hospital to another on an emergency basis when, in fact, the calls were not emergencies.” (Press Release, “Rural/Metro To Pay \$2.8 Million To Resolve False Claims Allegations,” [Department of Justice](#), 12/26/13)

- **The federal investigation found Rural/Metro and its various corporate holdings – including Southwest Ambulance – incorrectly coded its hospital-to-hospital ambulance services as pricier emergency rides for five years from 2007 to 2011.** “The federal investigation found Rural/Metro and its various corporate holdings – including Southwest Ambulance – incorrectly coded its hospital-to-hospital ambulance services as pricier emergency rides for five years, from 2007 to 2011.” (Ronald J. Hansen, “Gallego gave cash to his employer’s corporate political fund as Citizens United era dawned,” [The Arizona Republic](#), 09/01/23)
  - **The federal government alleged Medicare paid substantially more for the ambulance services than was warranted.** “The United States alleged that as a result of these false and ‘upcoded’ claims, Medicare paid substantially more for the ambulance services than was warranted,’ the government said in a statement at the time.” (Ronald J. Hansen, “Gallego gave cash to his employer’s corporate political fund as Citizens United era dawned,” [The Arizona Republic](#), 09/01/23)
  - **As a result of Rural/Metro’s deception, Medicare allegedly paid “substantially more for the ambulance services than warranted.** “The United States alleged that as a result of these false and ‘upcoded’ claims, Medicare paid substantially more for the ambulance services than was warranted. The settlement is neither an admission of liability by Rural/Metro, nor is it a concession by the United States that its claims are not well founded.” (Attachment: 2013-099, [Rural Metro Settlement Agreement](#), 12/26/13)
  - **The U.S. Attorney in Arizona said subsidiaries of Rural/Metro, including Southwest Ambulance, routinely sent Medicare higher bills for reimbursement based on false claims.** “From 2007 to the end of 2011, says Arizona U.S. Attorney John Leonardo, Rural/Metro's ambulance divisions including Southwest Ambulance and Tucson's Kords Ambulance would routinely send Medicare higher bills for reimbursement based on false claims.” (Ray Stern, “Rural/Metro to Pay \$2.8 Million Settlement for Billing Patient Transports as Emergencies,” [Phoenix New Times](#), 12/26/13)
- **HEADLINE: “Rural/Metro to pay \$2.8M in Medicare fraud case.”**

## **Rural/Metro to pay \$2.8M in Medicare fraud case**

(The Associated Press, Rural/Metro to pay \$2.8M in Medicare fraud case,” [EMS 1](#), 12/27/13)

**Under the agreement, Rural/Metro paid “2.8 million to end the government’s investigation.”**

- **Under the agreement, the company did not acknowledge guilt for the incorrect billings but agreed to pay \$2.8 million to end the government’s investigation.** “Under the agreement, the company didn’t acknowledge guilt for the incorrect billings, but it did agree to pay \$2.8 million to end the government’s investigation.” (Ronald J. Hansen, “Gallego gave cash to his employer’s corporate political fund as Citizens United era dawned,” [The Arizona Republic](#), 09/01/23)

**Ruben Gallego supports the Affordable Care Act which cut – or reduced – Medicare spending by over \$800 billion which could harm seniors’ access to healthcare.**

- **Ruben Gallego supports the Affordable Care Act.** “Today marks the 5th anniversary of the Affordable Care Act. Congressman Ruben Gallego released the following statement: ‘Thanks to the Affordable Care Act more than 16 million Americans have access to affordable and quality health insurance and our country’s uninsured rate is at its lowest level ever recorded.’” (Press Release, “Gallego On The 5<sup>th</sup> Anniversary Of Affordable Care Act,” [Office of Ruben Gallego](#), 03/23/15)
- **If Obamacare was repealed, spending for Medicare “would increase by an estimated \$716 billion...”** “The Romney campaign has gone on the offense on Medicare, charging that the Affordable Care Act “cuts \$716 billion” from the entitlement program. That \$716 billion figure is one you’ll probably be hearing a lot about during this election cycle. It’s worth understanding where it comes from and what the spending reductions mean for the Medicare program. First, where it comes from. On July 24, the Congressional Budget Office sent a letter to House Speaker John Boehner, detailing the budget impact of repealing the Affordable Care Act. If Congress overturned the law, ‘spending for Medicare would increase by an estimated \$716 billion over that 2013–2022 period.’” (Sarah Kliff, “Romney’s right: Obamacare cuts Medicare by \$716 billion. Here’s how.,” [The Washington Post](#), 08/14/12)
- **Repealing all of the provisions in the Affordable Care Act “would increase direct spending in the next decade by \$879 billion” for Medicare.** “The ACA also includes many other provisions related to health care that are estimated to reduce net federal outlays, primarily for Medicare. The provisions with the largest effects reduced payments to hospitals, to other providers of care, and to private insurance plans delivering Medicare’s benefits, relative to what they would have been under prior law. Repealing all of those provisions would increase direct spending in the next decade by \$879 billion, CBO estimates.” (“Budgetary and Economic Effects of Repealing the Affordable Care Act,” [Congressional Budget Office](#), June 2015)
  - **The Affordable Care Act enacted \$800 billion in estimated savings to the Medicare Program over 10 years.** “This claim is similar to one that Mitt Romney made in the 2012 election about Medicare. The Affordable Care Act (ACA) enacted savings estimated at that time of \$716 billion to the Medicare program over ten years (now estimated at \$800 billion), which was used to pay for some of the cost of the new law under pay-as-you-go budget scoring conventions.” (“Was Medicare Robbed \$700 billion to Pay for Obamacare?,” [Committee for a Responsible Federal Budget](#), 08/07/15)
  - **The law reduced the amount Medicare spends.** “The law reduced the amount that Medicare spends.” (“Was Medicare Robbed \$700 billion to Pay for Obamacare?,” [Committee for a Responsible Federal Budget](#), 08/07/15)
- **Medicare is federal health insurance for anyone age 65 and older.** “Medicare, a government-run health insurance program, provides health care coverage for the vast majority of Americans over age 65.” (Parts of Medicare, [Medicare.gov](#), Accessed 04/10/24)

- **Experts said financial benefits under the healthcare law “could lead to reduced benefits, particularly for people in the Advantage program.”** “But experts told us it's conceivable or even likely that those financial changes could lead to reduced benefits, particularly for people in the Advantage program. From that perspective, it's a stretch for Obama say that Medicare patients won't see changes in their plans as a result.” (“Obama claims Medicare benefits will not be cut under the health care bill,” [PolitiFact](#), 08/14/09)