

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6920
BILL NUMBER: HB 1385

NOTE PREPARED: Jan 31, 2024
BILL AMENDED:

SUBJECT: Payment for Ambulance Services.

FIRST AUTHOR: Rep. Barrett
FIRST SPONSOR: Sen. Johnson T

BILL STATUS: As Passed House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill requires a health plan operator to provide payment to a nonparticipating ambulance service provider for ambulance service provided to a covered individual:

- (1) at a rate not to exceed the rates set or approved, by contract or ordinance, by the county or municipality in which the ambulance service originated; or
- (2) if there are no rates set or approved by the county or municipality in which the ambulance service originated:
 - (A) at the rate of 500% of the published rate for ambulance services established under the Medicare law for the same ambulance service provided in the same geographic area; or
 - (B) according to the nonparticipating ambulance provider's billed charges; whichever is less.

It provides that if a health plan makes payment to a nonparticipating ambulance service provider in compliance with these requirements:

- (1) the payment shall be considered payment in full, except for any copayment, coinsurance, deductible, and other cost sharing amounts that the health plan requires the covered individual to pay; and
- (2) the nonparticipating ambulance service provider is prohibited from billing the covered individual for any additional amount.

The bill provides that the copayment, coinsurance, deductible, and other cost sharing amounts that a covered individual is required to pay in connection with ambulance service provided by a nonparticipating ambulance service provider shall not exceed the copayment, coinsurance, deductible, and other cost sharing amounts that the covered individual would be required to pay if the ambulance service had been provided by a participating ambulance service provider.

It requires a health plan operator that receives a clean claim from a nonparticipating ambulance service provider to remit payment to the nonparticipating ambulance service provider not more than 30 days after receiving the clean claim.

The bill also provides that if a claim received by a health plan operator for ambulance service provided by a nonparticipating ambulance service provider is not a clean claim, the health plan operator, not more than 30 days after receiving the claim, shall:

- (1) remit payment; or
- (2) send a written notice that:
 - (A) acknowledges the date of receipt of the claim; and
 - (B) either explains why the health plan operator is declining to pay the claim or states that additional information is needed for a determination whether to pay the claim.

It repeals the requirement that a health plan operator negotiate rates and terms with any ambulance service provider willing to become a participating provider and the requirement that the Department of Insurance (DOI), not later than May 1, 2024, submit a report concerning these negotiations.

Effective Date: July 1, 2024.

Explanation of State Expenditures: The bill will decrease workload for the Department of Insurance (DOI) by repealing the need for the DOI to submit a report detailing negotiation rates and terms between health plan operators and ambulance service providers. [*The DOI is funded with a dedicated agency fund.*]

Explanation of State Revenues:

Explanation of Local Expenditures: Local units that provide emergency medical services (EMS) may have increased workload under the bill's requirements.

Additional Information: The bill requires health plan operators to provide payment to a nonparticipating ambulance service provider and sets the rates. If the county or municipality has a current rate set that is below the rate of 500% of the Medicare reimbursement rate for ambulance services, then the county's or Municipality's rate will be used. However if there is no current rate set, or the rate is higher than 500% of the Medicare reimbursement rate for ambulance services, then the 500% of Medicare rate will be used.

According to CMS in CY 2023, the Medicare base rate for ambulance services was about \$265.54, with mileage rates varying among urban and rural areas. The total rate is indeterminate.

Explanation of Local Revenues:

State Agencies Affected: Department of Insurance.

Local Agencies Affected: Local units providing EMS.

Information Sources:

<https://www.cms.gov/medicare/payment/fee-schedules/ambulance/ambulance-fee-schedule-public-use-files>.

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