

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington St., Suite 301
Indianapolis, IN 46204
(317) 233-0696
iga.in.gov

FISCAL IMPACT STATEMENT

LS 6920

BILL NUMBER: HB 1385

NOTE PREPARED: Mar 11, 2024

BILL AMENDED: Mar 8, 2024

SUBJECT: Emergency Medical Services.

FIRST AUTHOR: Rep. Barrett

FIRST SPONSOR: Sen. Johnson T

BILL STATUS: Enrolled

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: *Community Cares Initiative Grant Pilot Program and Fund:* The bill establishes the Community Cares Initiative Grant Pilot Program for the purpose of assisting in the costs of starting or expanding mobile integrated health care programs and mobile crisis teams in Indiana. It establishes the Community Cares Initiative Fund.

Ambulance Services: 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;
- (2) at the rate of 400% of the published rate for ambulance services established under the Medicare law for the same ambulance service provided in the same geographic area; or
- (3) according to the nonparticipating ambulance provider's billed charges; whichever is less.

The bill provides that if a health plan operator 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.

It 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.

The bill 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.

It 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.

The bill removes the requirement that a health plan operator negotiate rates and terms with any ambulance service provider willing to become a participating provider, but retains the requirement that the state negotiate rates and terms with any ambulance service provider willing to become a participating provider.

Effective Date: July 1, 2024; January 1, 2025.

Explanation of State Expenditures: *Community Cares Initiative Grant Pilot Program and Fund:* The bill will increase workload for the Division of Mental Health and Addiction (DMHA) to administer the Community Cares Initiative Grant Pilot Program (program) and the Community Cares Initiative Fund, and provide annual reports to the Legislative Council. The bill's requirements are within the DMHA's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

The bill establishes the Community Cares Initiative Fund, a nonreverting, continuously appropriated fund. The bill provides that the fund will consist of money received from state and federal grants or programs, and gifts, money, and donations from other sources including transfers from other funds or accounts.

Ambulance Services: 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, as the bill eliminates the negotiation requirement for both parties. However, the state is still required to negotiate rates and terms with any ambulance service provider willing to become a participating provider in a State Employee Health Plan. [*The DOI is funded with a dedicated agency fund.*]

Additional Information - The Department of Homeland Security (DHS) has a similar grant program concerning mobile integrated health with a \$500,000 appropriation each year for the FY 2024 and FY 2025 biennium. The DHS is offering grants of \$50,000 to \$75,000 in FY 2024.

Explanation of State Revenues: *Ambulance Services:* The provisions regarding rates paid to applicable nonparticipating ambulance service providers may result in an increase in health care premiums. If overall premiums collected in the state increase, revenue to the state General Fund could increase from either corporate Adjusted Gross Income Tax or Insurance Premium Tax collections.

Additional Information: If there is no rate set or approved by the county or municipality of origin, the health operator will pay the lesser amount of either 400% of current Medicare rates or the amount billed by the nonparticipating ambulance provider. These provisions exclude all health system ambulances and only apply to nonparticipating ambulance service providers that hold an Indiana certificate under IC 16-31-3.

Explanation of Local Expenditures: *Ambulance Services:* The bill impacts local units of government that offer health insurance coverage for employees. An increase in the cost of premiums may be mitigated with adjustments to other benefits or employee compensation packages, or through the division of premium costs between a local unit and its employees.

Additional Information: The bill requires the health plan operators to reimburse a nonparticipating ambulance service provider for ambulance services provided to a covered individual 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. If there are no rates set or approved by the county or municipality of origin, the health plan operators will pay the lesser amount of either 400% of current Medicare rates or the amount billed by the nonparticipating ambulance provider. These provisions exclude all health system ambulances and only apply to nonparticipating ambulance service providers that hold an Indiana certificate under IC 16-31-3.

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: *Community Cares Initiative Grant Pilot Program and Fund:* The fund will provide grants to start or expand mobile integrated health care program and mobile crisis teams.

State Agencies Affected: Department of Insurance; Division of Mental Health and Addiction, Family and Social Services Administration.

Local Agencies Affected: Local units.

Information Sources:

<https://www.cms.gov/medicare/payment/fee-schedules/ambulance/ambulance-fee-schedule-public-use-files> ;
<https://www.in.gov/dhs/files/MIH-Grant-NOFO-FY23.pdf>;
<https://www.in.gov/dhs/files/MIH-Advisory-Committee-Grant-Recommendations-2021.pdf>.

Fiscal Analyst: Jasmine Noel, 317-234-1360; Karen Rossen, 317-234-2106.