

SB 407-FN - AS AMENDED BY THE SENATE

03/21/2024 0999s

2024 SESSION

24-3036

05/10

SENATE BILL

407-FN

AN ACT

relative to direct pay for ambulance services.

SPONSORS:

Sen. Prentiss, Dist 5; Sen. Fenton, Dist 10; Sen. Watters, Dist 4; Sen. Altschiller, Dist 24; Sen. Perkins Kwoka, Dist 21; Sen. Soucy, Dist 18; Sen. Rosenwald, Dist 13; Sen. Whitley, Dist 15; Sen. Gannon, Dist 23; Sen. Innis, Dist 7; Sen. Birdsell, Dist 19; Sen. Carson, Dist 14; Sen. Chandley, Dist 11; Sen. D'Allesandro, Dist 20; Rep. Goley, Hills. 21; Rep. S. Pearson, Rock. 13; Rep. Stringham, Graf. 3; Rep. Wolf, Merr. 7

COMMITTEE:

Health and Human Services

AMENDED ANALYSIS

This bill regulates insurance reimbursement for ambulance services.

Explanation:

Matter added to current law appears in ***bold italics***.

Matter removed from current law appears ~~[in brackets and struckthrough.]~~

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Four

AN ACT relative to direct pay for ambulance services.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Accident and Health Insurance; Individual Policies; Reimbursement for Ambulance Service
2 Providers. Amend RSA 415:6-q to read as follows:

3 415:6-q Reimbursement for Ambulance Service Providers.

4 ***I.*** Each insurer that issues or renews any individual policy, plan, or contract of accident or
5 health insurance that constitutes health coverage under RSA 420-G:2, IX, and that provides benefits
6 for medically necessary ambulance services shall reimburse the ambulance service provider directly
7 ~~[or by a check payable to the insured and the ambulance service provider subject to the terms and~~
8 ~~conditions of the policy, plan, or contract]~~. ***An insurer shall provide reimbursement for***
9 ***ambulance services at rates negotiated between the insurer and the provider of such***
10 ***services. In the absence of agreed upon rates, an insurer shall pay for such services at the***
11 ***rates set by the local government or contracted entity subject to a public process prior to***
12 ***adoption or readoption. All current rates set by local government and the entities shall***
13 ***remain in place unless a change is proposed. This section shall apply to unscheduled***
14 ***emergency calls and emergency interfacility transfers. This section shall not apply to***
15 ***policies that do not include coverage for ambulance services.***

16 ***II.*** Nothing in this section shall preclude an insurer from negotiating with and subsequently
17 entering into a contract with a non-participating ambulance provider that establishes rates of
18 reimbursement for emergency medical services.

19 2 Accident and Health Insurance; Group Policies; Reimbursement for Ambulance Service
20 Providers. Amend RSA 415:18-v to read as follows:

21 415:18-v Reimbursement for Ambulance Service Providers.

22 ***I.*** Each insurer that issues or renews any policy of group or blanket accident or health
23 insurance that constitutes health coverage under RSA 420-G:2, IX, and that provides benefits for
24 medically necessary ambulance services shall reimburse the ambulance service provider directly ~~[or~~
25 ~~by a check payable to the insured and the ambulance service provider subject to the terms and~~
26 ~~conditions of the policy, plan, or contract]~~. ***An insurer shall provide reimbursement for***
27 ***ambulance services at rates negotiated between the insurer and the provider of such***
28 ***services. In the absence of agreed upon rates, an insurer shall pay for such services at the***
29 ***rates set by the local government or contracted entity subject to a public process prior to***
30 ***adoption or readoption. All current rates set by local government and the entities shall***
31 ***remain in place unless a change is proposed. This section shall apply to unscheduled***

1 *emergency calls and emergency interfacility transfers. This section shall not apply to*
2 *policies that do not include coverage for ambulance services.*

3 *II.* Nothing in this section shall preclude an insurer from negotiating with and subsequently
4 entering into a contract with a non-participating ambulance provider that establishes rates of
5 reimbursement for emergency medical services.

6 3 Effective Date. This act shall take effect 60 days after its passage.

SB 407-FN- FISCAL NOTE
AS AMENDED BY THE SENATE (AMENDMENT #2024-0999s)

AN ACT relative to direct pay for ambulance services.

FISCAL IMPACT: [X] State [X] County [X] Local [] None

Estimated State Impact - Increase / (Decrease)				
	FY 2024	FY 2025	FY 2026	FY 2027
Revenue	\$0	Indeterminable	Indeterminable	Indeterminable
<i>Revenue Fund(s)</i>	General Fund Insurance Premium Tax Revenue			
Expenditures	\$0	Indeterminable	Indeterminable	Indeterminable
<i>Funding Source(s)</i>	None			
Appropriations	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

- Does this bill provide sufficient funding to cover estimated expenditures? [X] N/A
- Does this bill authorize new positions to implement this bill? [X] No

Estimated Political Subdivision Impact - Increase / (Decrease)				
	FY 2024	FY 2025	FY 2026	FY 2027
County Revenue	\$0	\$0	\$0	\$0
County Expenditures	\$0	Indeterminable	Indeterminable	Indeterminable
Local Revenue	\$0	\$0	\$0	\$0
Local Expenditures	\$0	Indeterminable	Indeterminable	Indeterminable

METHODOLOGY:

This bill regulates insurance reimbursement for ambulance services. The Insurance Department indicates this bill would amend RSA 415:6-q (individual) and RSA 415:18-v (group) insurance laws by requiring insurers to reimburse ambulance service providers at negotiated rates. In the absence of negotiated rates (e.g., ambulance provider is out-of-network), this bill would require insurers to pay ambulance providers at rates set by local (municipal or county) government, or their contracted entity providing such services, subject to a public approval process. This requirement would apply to unscheduled emergency calls and emergency inter-facility transfers. The Department assumes an estimated increased total claims cost for emergency ground ambulance services of at least approximately \$11.8 million or \$4.55 per member per month

(PMPM) if the local rate is set at billed rates for 2022. It is assumed that localities could increase rates in future years causing upward pressure on future years' premiums.

To estimate potential fiscal impact, a descriptive assessment of claims from plan year 2022 (PY2022), was performed using the New Hampshire All-payer Claims Database (NH CHIS). The Department defined the potential increased claims cost as the difference between the current billed amount, and the payer-negotiated allowed amount for two candidate emergency ground ambulance service base rates (CPT codes: A0427 ALS-emergency; A0429 BLS-Emergency). To estimate the mileage charges for each of the base rate services, we used reference values from the 2018 NHID Ground Ambulance Report—which uses 2017 medical claims data. The mean mileage charge per event was \$327.18 (11.4 miles at a rate of \$28.70/mile); this value was added to the difference in median billed vs. allowed base rates to derive a total cost increase per emergency ground ambulance encounter. Then the projected total cost increase was multiplied by the frequency of each service billed to derive a total, aggregated value (Table 1). In PY2022, there were 6,976 paid claims for A0427 and 3,194 paid claims for A0429.

Projected Total Cost increases of two commonly-billed emergency ambulance services

A	B	C	D	E	F	G
Procedure	Frequency - PY2022	Median Billed Amount	Median Allowed Amount	Difference (C-D)	Average Mileage Charge	Total Increase (B * (E+F))
A0427-ALS Emergency	6,976	\$1,500	\$547.50	\$952.50	\$327.18	\$8,927,048
A0429-BLS-emergency	3,194	\$1,032	\$455.33	\$576.67	\$327.18	\$2,886,897
						\$11,813,945

Source: NH Comprehensive Healthcare Information System (NH CHIS), PY2022 Data representative of commercial fully-insured and self-insured opt-ins, managed care organizations, and Medicare supplemental plans.

AGENCIES CONTACTED:

Insurance Department