

HB 373-FN - AS INTRODUCED

2023 SESSION

23-0299

05/10

HOUSE BILL

373-FN

AN ACT relative to billing for ambulance services.

SPONSORS: Rep. Burroughs, Carr. 2; Rep. Stringham, Graf. 3; Rep. Luneau, Merr. 9

COMMITTEE: Commerce and Consumer Affairs

ANALYSIS

This bill prohibits balance billing for ambulance services under the managed care law and requires insurers to reimburse ambulance providers directly.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to billing for ambulance services.

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

1 1 New Paragraph; Emergency Medical and Trauma Services; Definition of Private Safety
2 Agency. Amend RSA 153-A:2 by inserting after paragraph XVI-a the following new paragraph:

3 XVI-b. "Private safety agency" means a private entity which provides emergency police, fire,
4 ambulance, or medical services.

5 2 New Paragraph; Emergency Medical and Trauma Services; Definition of Public Safety Agency.
6 Amend RSA 153-A:2 by inserting after paragraph XVIII the following new paragraph:

7 XVIII-a. "Public safety agency" means a functional division of a public agency which
8 provides firefighting, law enforcement, ambulance, medical, rescue or other emergency services.

9 3 New Section; Emergency Medical and Trauma Services; Ambulance Billing; Payment for
10 Reasonable Value of Services; Prohibition of Balance Billing. Amend RSA 153-A by inserting after
11 section 20-a the following new section:

12 153-A:20-b Ambulance Billing; Payment for Reasonable Value of Services, Prohibition of
13 Balance Billing.

14 I. When a commercially insured patient is covered by a managed care plan, as defined under
15 RSA 420-J:3, XXV, a private safety agency or public safety agency shall not bill the patient for fees
16 or amounts other than copayments, deductibles, or coinsurance, if the service is covered under the
17 patient's health insurance plan.

18 II. Pursuant to paragraph I, fees for ambulance services submitted to an insurance carrier
19 for payment shall be limited to a commercially reasonable value, based on payments for similar
20 services from New Hampshire insurance carriers to New Hampshire ambulance providers.

21 III. In the event of a dispute between a provider and an insurance carrier relative to the
22 reasonable value of a service under this section, the insurance commissioner shall have exclusive
23 jurisdiction under RSA 420-J:8-e to determine if the fee is commercially reasonable. The provider
24 and the insurance carrier shall each make best efforts to resolve any dispute prior to applying to the
25 insurance commissioner for resolution, which shall include presenting to the other party evidence
26 supporting its contention that the fee level it is proposing is commercially reasonable. The
27 department of insurance may require the parties to engage in mediation prior to rendering a
28 decision.

29 4 New Section; Managed Care Law; Reasonable Value of Ambulance Services. Amend RSA 420-
30 J by inserting after section 8-f the following new section:

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1 420-J:8-g Reasonable Value of Ambulance Services. In the event of a dispute between a health
2 care provider and an insurance carrier relative to the reasonable value of a service under this
3 section, the commissioner shall have exclusive jurisdiction to determine if the fee is commercially
4 reasonable, with consideration of the actual, often higher costs of the service in rural communities.
5 Either the provider or the insurance carrier may petition for a hearing under RSA 400-A:17. The
6 petition shall include the appealing party's evidence and methodology for asserting that the fee is
7 reasonable, and shall detail the efforts made by the parties to resolve the dispute prior to petitioning
8 the commissioner for review.

9 5 New Subparagraph; Managed Care Law; Rulemaking. Amend RSA 420-J:7, II by inserting
10 after subparagraph (e) the following new subparagraph:

11 (f) Carriers shall offer an ambulance service provider a commercially reasonable
12 payment, including ambulance services provided through the 911 service.

13 6 Report. The insurance commissioner shall make a report on or before July 1, 2024 detailing
14 the impact of RSA 153-A:20-b as inserted by section 3 of this act and RSA 420-J:8-g as inserted by
15 section 4 of the act on health insurance premium rates to the chairpersons of the house and senate
16 committees having jurisdiction over insurance issues.

17 7 Reimbursement for Ambulance Service Providers; Individual. Amend RSA 415:6-q to read as
18 follows:

19 415:6-q Reimbursement for Ambulance Service Providers. Each insurer that issues or renews
20 any individual policy, plan, or contract of accident or health insurance that constitutes health
21 coverage under RSA 420-G:2, IX, and that provides benefits for medically necessary ambulance
22 services shall reimburse the ambulance service provider directly, ~~[or by a check payable to the~~
23 ~~insured and the ambulance service provider]~~ subject to the terms and conditions of the policy, plan,
24 or contract. Nothing in this section shall preclude an insurer from negotiating with and
25 subsequently entering into a contract with a non-participating ambulance provider that establishes
26 rates of reimbursement for emergency medical services.

27 8 Reimbursement for Ambulance Service Providers; Group. Amend RSA 415:18-v to read as
28 follows:

29 415:18-v Reimbursement for Ambulance Service Providers. Each insurer that issues or renews
30 any policy of group or blanket accident or health insurance that constitutes health coverage under
31 RSA 420-G:2, IX, and that provides benefits for medically necessary ambulance services shall
32 reimburse the ambulance service provider directly, ~~[or by a check payable to the insured and the~~
33 ~~ambulance service provider]~~ subject to the terms and conditions of the policy, plan, or contract.
34 Nothing in this section shall preclude an insurer from negotiating with and subsequently entering
35 into a contract with a non-participating ambulance provider that establishes rates of reimbursement
36 for emergency medical services.

37 9 Effective Date. This act shall take effect January 1, 2024.

HB 373-FN- FISCAL NOTE
AS INTRODUCED

AN ACT relative to billing for ambulance services.

FISCAL IMPACT: ☒ **State** ☒ **County** ☒ **Local** ☐ **None**

STATE:	Estimated Increase / (Decrease)			
	FY 2023	FY 2024	FY 2025	FY 2026
Appropriation	\$0	\$0	\$0	\$0
Revenue	\$0	Indeterminable	Indeterminable	Indeterminable
Expenditures	\$0	Indeterminable	Indeterminable	Indeterminable
Funding Source:	<input checked="" type="checkbox"/> General Government Funds <input type="checkbox"/> Education <input type="checkbox"/> Highway <input checked="" type="checkbox"/> Other - Various			

COUNTY:

Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	Indeterminable	Indeterminable	Indeterminable

LOCAL:

Revenue	\$0	Indeterminable	Indeterminable	Indeterminable
Expenditures	\$0	Indeterminable	Indeterminable	Indeterminable

METHODOLOGY:

This bill prohibits balance billing for ambulance services under the managed care law and requires insurers to reimburse ambulance providers directly. The Insurance Department indicates the bill would extend consumer protections by prohibiting balance billing of a commercially insured person covered by a managed care plan for certain emergency medical services, including specifically ambulance services. The bill further limits reimbursement for ambulance services to a “commercially reasonable value.” Ambulance service providers and insurers are to make ‘best efforts’ to resolve disputes regarding commercially reasonable values. Failing such a resolution, the parties may apply to the Insurance Commissioner for a hearing to determine whether the fee is commercially reasonable.

The Insurance Department states a reasonably reliable projection of the impact on ambulance fees and health coverage premiums is not achievable without an extensive actuarial study and without resolving certain existing ambiguities as to the definition “commercially reasonable value” and the future role of network contracting under this bill. The Department states it is difficult to predict the number of hearing requests it would receive and it cannot determine if the

additional administrative responsibilities could be handled within the Department's existing operating budget. However, the Department notes it has not experienced any hearing requests for the current balance billing prohibitions and does not anticipate needing additional staff to handle such requests.

The limit of billing and payment for ambulance services to a “commercially reasonable value” may impact commercial managed care coverage claim costs, which may impact premiums, which may impact state premium tax revenues. The impact on premiums would potentially affect state, county, and local expenditures for health coverage for employees. The limit of ambulance fees to a commercially reasonable value may also impact municipal fees for ambulance services, as the bill applies to “public safety agencies” as well as “private safety agencies.” This could affect municipal revenues.

The New Hampshire Municipal Association indicates this bill would address one of many aspects of ambulance billing. The issue impacts municipalities because a significant portion of the costs associated with running an ambulance service are funded through local taxation. These costs vary widely depending on the region. This Association assumes the bill may increase municipal revenues by eliminating the current provision in the law which allows insurers to pay the insured, rather than providers, for ambulance transport services. The Association states the bill would also change the relationship between insurers and providers and municipalities may end up serving in a mediation role and, ultimately, may be required to appeal to the insurance commissioner to resolve payment disputes. This would result in an indeterminable increase in local expenditures.

AGENCIES CONTACTED:

Insurance Department and New Hampshire Municipal Association