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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.
HB 373-FN - AS INTRODUCED

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

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

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

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

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


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

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

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

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

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

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

6 Report. The insurance commissioner shall make a report on or before July 1, 2024 detailing
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
section 4 of the act on health insurance premium rates to the chairpersons of the house and senate
committees having jurisdiction over insurance issues.

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

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

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

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

9 Effective Date. This act shall take effect January 1, 2024.
AN ACT relative to billing for ambulance services.

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

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**Funding Source:**  [ X ] General Government Funds  [ ] Education  [ ] Highway  [ X ] Other - Various

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### 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