

ASSEMBLY BILL

No. 2709

Introduced by Assembly Member Boerner Horvath

February 18, 2022

An act to add Section 1371.56 to the Health and Safety Code, and to add Section 10126.66 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 2709, as introduced, Boerner Horvath. Emergency ground medical transportation.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law also provides for the regulation of health insurers by the Department of Insurance. Existing law requires that health care service plan contracts and health insurance policies provide coverage for certain services and treatments, including emergency medical transportation services.

This bill would require a health care service plan contract or a health insurance policy issued, amended, or renewed on or after January 1, 2023, to require an enrollee or insured who receives covered services from a noncontracting ground ambulance provider to pay no more than the same cost-sharing amount that the enrollee or insured would pay for the same covered services received from a contracting ground ambulance provider, and would prohibit the noncontracting ground ambulance provider from billing or sending to collections a higher amount. The bill would require the plan or insurer to reimburse a noncontracting ground ambulance provider the greater of the average

contracted rate or 125% of the Medicare reimbursement rate for those services, as specified. Because a willful violation of the bill’s requirements relative to a health care service plan would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1371.56 is added to the Health and Safety
2 Code, to read:

3 1371.56. (a) (1) Notwithstanding Section 1367.11, a health
4 care service plan contract issued, amended, or renewed on or after
5 January 1, 2023, shall require an enrollee who receives covered
6 services from a noncontracting ground ambulance provider to pay
7 no more than the same cost-sharing amount that the enrollee would
8 pay for the same covered services received from a contracting
9 ground ambulance provider. This amount shall be referred to as
10 the “in-network cost-sharing amount.”

11 (2) An enrollee shall not owe the noncontracting ground
12 ambulance provider more than the in-network cost-sharing amount
13 for services subject to this section. At the time of payment by the
14 plan to the noncontracting provider, the plan shall inform the
15 enrollee and the noncontracting provider of the in-network
16 cost-sharing amount owed by the enrollee.

17 (b) (1) The in-network cost-sharing amount paid by the enrollee
18 pursuant to this section shall count toward the limit on annual
19 out-of-pocket expenses established under Section 1367.006.

20 (2) Cost sharing arising pursuant to this section shall count
21 toward any deductible in the same manner as cost sharing would
22 be attributed to a contracting provider.

23 (3) The in-network cost-sharing amount paid by the enrollee
24 pursuant to this section shall satisfy the enrollee’s obligation to
25 pay cost sharing for the health service.

1 (c) A noncontracting ground ambulance provider shall only
2 advance to collections the in-network cost-sharing amount, as
3 determined by the plan pursuant to subdivision (a), that the enrollee
4 failed to pay.

5 (d) (1) Unless otherwise agreed to by the noncontracting ground
6 ambulance provider and the health care service plan, the plan shall
7 reimburse for ground ambulance services the greater of the average
8 contracted rate or 125 percent of the amount Medicare reimburses
9 on a fee-for-service basis for the same or similar services in the
10 general geographic region in which the services were rendered.
11 For purposes of this section, “average contracted rate” means the
12 average of the contracted commercial rates paid by the health care
13 service plan or its delegated entity for the same or similar services
14 in the geographic region.

15 (2) If either the ground ambulance provider or the plan disputes
16 the payment amount, the provider or the plan may appeal through
17 the independent dispute resolution process established by the
18 department pursuant to Section 1371.30.

19 (e) This section does not affect the balance billing protections
20 for Medi-Cal beneficiaries under Section 14019.4 of the Welfare
21 and Institutions Code.

22 SEC. 2. Section 10126.66 is added to the Insurance Code, to
23 read:

24 10126.66. (a) (1) Notwithstanding Section 10352, a health
25 insurance policy issued, amended, or renewed on or after January
26 1, 2023, shall require an insured who receives covered services
27 from a noncontracting ground ambulance provider to pay no more
28 than the same cost-sharing amount that the insured would pay for
29 the same covered services received from a contracting ground
30 ambulance provider. This amount shall be referred to as the
31 “in-network cost-sharing amount.”

32 (2) An insured shall not owe the noncontracting ground
33 ambulance provider more than the in-network cost-sharing amount
34 for services subject to this section. At the time of payment by the
35 insurer to the noncontracting provider, the insurer shall inform the
36 insured and the noncontracting provider of the in-network
37 cost-sharing amount owed by the insured.

38 (b) (1) The in-network cost-sharing amount paid by the insured
39 pursuant to this section shall count toward the limit on annual
40 out-of-pocket expenses established under Section 10112.28.

1 (2) Cost sharing arising pursuant to this section shall count
2 toward any deductible in the same manner as cost sharing would
3 be attributed to a contracting provider.

4 (3) The in-network cost-sharing amount paid by the insured
5 pursuant to this section shall satisfy the insured’s obligation to pay
6 cost sharing for the health service.

7 (c) A noncontracting ground ambulance provider shall only
8 advance to collections the in-network cost-sharing amount, as
9 determined by the insurer pursuant to subdivision (a), that the
10 insured failed to pay.

11 (d) (1) Unless otherwise agreed to by the noncontracting ground
12 ambulance provider and the health insurer, the insurer shall
13 reimburse for ground ambulance services the greater of the average
14 contracted rate or 125 percent of the amount Medicare reimburses
15 on a fee-for-service basis for the same or similar services in the
16 general geographic region in which the services were rendered.
17 For purposes of this section, “average contracted rate” means the
18 average of the contracted commercial rates paid by the health
19 insurer or its delegated entity for the same or similar services in
20 the geographic region.

21 (2) If either the ground ambulance provider or the insurer
22 disputes the payment amount, the provider or the insurer may
23 appeal through the independent dispute resolution process
24 established by the commissioner pursuant to Section 10112.81.

25 (e) This section does not affect the balance billing protections
26 for Medi-Cal beneficiaries under Section 14019.4 of the Welfare
27 and Institutions Code.

28 SEC. 3. No reimbursement is required by this act pursuant to
29 Section 6 of Article XIII B of the California Constitution because
30 the only costs that may be incurred by a local agency or school
31 district will be incurred because this act creates a new crime or
32 infraction, eliminates a crime or infraction, or changes the penalty
33 for a crime or infraction, within the meaning of Section 17556 of
34 the Government Code, or changes the definition of a crime within
35 the meaning of Section 6 of Article XIII B of the California
36 Constitution.

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