

**ASSEMBLY BILL**

**No. 2709**

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**Introduced by Assembly Member Boerner Horvath**

February 18, 2022

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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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