

ASSEMBLY BILL

No. 716

Introduced by Assembly Member Boerner Horvath

February 13, 2023

An act to add Sections 1371.56, 1797.124, and 1797.232 to, and to repeal Section 1367.11 of, the Health and Safety Code, and to add Section 10126.66 to, and to repeal Section 10352 of, the Insurance Code, relating to emergency medical transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 716, as introduced, Boerner Horvath. Emergency ground medical transportation.

Existing law creates the Emergency Medical Services Authority to coordinate various state activities concerning emergency medical services. Existing law requires the authority to report specified information, including reporting ambulance patient offload time twice per year to the Commission on Emergency Medical Services.

This bill would require the authority to annually report the allowable maximum rates for ground ambulance transportation services in each county, including trending the rates by county, as specified.

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, and requires a policy or contract to provide for the direct reimbursement of a covered medical

transportation services provider if the provider has not received payment from another source.

This bill would delete that direct reimbursement requirement and would require a health care service plan contract or a health insurance policy issued, amended, or renewed on or after January 1, 2024, 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. The bill would prohibit a noncontracting ground ambulance provider from billing or sending to collections a higher amount, and would prohibit a ground ambulance provider from billing an uninsured or self-pay patient more than the established payment by Medi-Cal or Medicare fee-for-service amount, whichever is greater. The bill would require a plan or insurer to reimburse for ground ambulance services at the authorized rate for the specific exclusive operating area, unless it reaches another agreement with the noncontracting ground ambulance provider. 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 1367.11 of the Health and Safety Code
- 2 is repealed.
- 3 ~~1367.11. (a) Every health care service plan issued, amended,~~
- 4 ~~or renewed on or after January 1, 1987, that offers coverage for~~
- 5 ~~medical transportation services, shall contain a provision providing~~
- 6 ~~for direct reimbursement to any provider of covered medical~~
- 7 ~~transportation services if the provider has not received payment~~
- 8 ~~for those services from any other source.~~
- 9 ~~(b) Subdivision (a) shall not apply to any transaction between~~
- 10 ~~a provider of medical transportation services and a health care~~

1 service plan if the parties have entered into a contract providing
2 for direct payment.

3 (e) ~~For purposes of this subdivision, “direct reimbursement”~~
4 ~~means the following:~~

5 ~~The enrollee shall file a claim for the medical transportation~~
6 ~~service with the plan; the plan shall pay the medical transportation~~
7 ~~provider directly; and the medical transportation provider shall~~
8 ~~not demand payment from the enrollee until having received~~
9 ~~payment from the plan, at which time the medical transportation~~
10 ~~provider may demand payment from the enrollee for any unpaid~~
11 ~~portion of the provider’s fee.~~

12 SEC. 2. Section 1371.56 is added to the Health and Safety
13 Code, to read:

14 1371.56. (a) (1) Notwithstanding Section 1367.11, a health
15 care service plan contract issued, amended, or renewed on or after
16 January 1, 2024, shall require an enrollee who receives covered
17 services from a noncontracting ground ambulance provider to pay
18 no more than the same cost-sharing amount that the enrollee would
19 pay for the same covered services received from a contracting
20 ground ambulance provider, unless otherwise required to do so by
21 Section 1371.9. This amount shall be referred to as the “in-network
22 cost-sharing amount.”

23 (2) An enrollee shall not owe the noncontracting ground
24 ambulance provider more than the in-network cost-sharing amount
25 for services subject to this section. At the time of payment by the
26 plan to the noncontracting provider, the plan shall inform the
27 enrollee and the noncontracting provider of the in-network
28 cost-sharing amount owed by the enrollee.

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

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

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

38 (c) A noncontracting ground ambulance provider shall only
39 advance to collections the in-network cost-sharing amount, as

1 determined by the plan pursuant to subdivision (a), that the enrollee
2 failed to pay.

3 (1) A noncontracting ground ambulance provider, or an entity
4 acting on its behalf, including a debt buyer or assignee of the debt,
5 shall not report adverse information to a consumer credit reporting
6 agency or commence civil action against the enrollee for a
7 minimum of 150 days after the initial billing regarding amounts
8 owed by the enrollee pursuant to subdivision (a).

9 (2) With respect to an enrollee, a noncontracting ground
10 ambulance provider, or an entity acting on its behalf, including an
11 assignee of the debt, shall not use wage garnishments or liens on
12 primary residences as a means of collecting unpaid bills pursuant
13 to this section.

14 (d) (1) Unless otherwise agreed to by the noncontracting ground
15 ambulance provider and the health care service plan, the plan shall
16 reimburse for ground ambulance services at the authorized rate
17 for the specific exclusive operating area pursuant to Section
18 1797.201 or 1797.224.

19 (2) A payment made by the health care service plan to the
20 noncontracting ground ambulance provider for services as required
21 in subdivision (a), plus the applicable cost sharing owed by the
22 enrollee, shall constitute payment in full for services rendered.

23 (3) Notwithstanding any other law, the amounts paid by a health
24 care service plan for services under this section shall not constitute
25 the prevailing or customary charges, the usual fees to the general
26 public, or other charges for other payers for an individual ground
27 ambulance provider.

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

31 (f) This section does not apply to a Medi-Cal managed health
32 care service plan or any entity that enters into a contract with the
33 State Department of Health Care Services pursuant to Chapter 7
34 (commencing with Section 14000), Chapter 8 (commencing with
35 Section 14200), and Chapter 8.75 (commencing with Section
36 14591) of Part 3 of Division 9 of the Welfare and Institutions Code.

37 SEC. 3. Section 1797.124 is added to the Health and Safety
38 Code, to read:

39 1797.124. (a) On or before March 1, 2024, and on or before
40 each January 1 thereafter, the authority shall annually develop and

1 publish on its internet website a report showing the allowable
2 maximum rates for ground ambulance transportation services in
3 each county, including trending the rates by county.

4 (b) The authority shall annually submit each report to the
5 Department of Insurance and the Department of Managed Health
6 Care for purposes of rate review, as well as to the Office of the
7 Health Care Affordability.

8 SEC. 4. Section 1797.232 is added to the Health and Safety
9 Code, to read:

10 1797.232. (a) A ground ambulance provider shall not require
11 an uninsured patient or self-pay patient to pay an amount more
12 than the established payment by Medi-Cal or Medicare
13 fee-for-service amount, whichever is greater.

14 (b) (1) A ground ambulance provider shall only advance to
15 collections the Medicare or Medi-Cal payment amount, as
16 determined pursuant to subdivision (a), that the patient failed to
17 pay.

18 (2) The ground ambulance provider, or an entity acting on its
19 behalf, including a debt buyer or assignee of the debt, shall not
20 report adverse information to a consumer credit reporting agency
21 or commence civil action against the individual for a minimum of
22 150 days after the initial billing regarding amounts owed by the
23 individual pursuant to subdivision (a).

24 (3) With respect to an uninsured patient or self-pay patient, the
25 ground ambulance provider, or an entity acting on its behalf,
26 including an assignee of the debt, shall not use wage garnishments
27 or liens on primary residences as a means of collecting unpaid bills
28 pursuant to this section.

29 SEC. 5. Section 10126.66 is added to the Insurance Code, to
30 read:

31 10126.66. (a) (1) Notwithstanding Section 10352, a health
32 insurance policy issued, amended, or renewed on or after January
33 1, 2024, shall require an insured who receives covered services
34 from a noncontracting ground ambulance provider to pay no more
35 than the same cost-sharing amount that the insured would pay for
36 the same covered services received from a contracting ground
37 ambulance provider. This amount shall be referred to as the
38 “in-network cost-sharing amount.”

39 (2) An insured shall not owe the noncontracting ground
40 ambulance provider more than the in-network cost-sharing amount

1 for services subject to this section. At the time of payment by the
2 insurer to the noncontracting provider, the insurer shall inform the
3 insured and the noncontracting provider of the in-network
4 cost-sharing amount owed by the insured.

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

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

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

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

18 (1) A noncontracting ground ambulance provider, or an entity
19 acting on its behalf, including a debt buyer or assignee of the debt,
20 shall not report adverse information to a consumer credit reporting
21 agency or commence civil action against the insured for a minimum
22 of 150 days after the initial billing regarding amounts owed by the
23 insured pursuant to subdivision (a).

24 (2) With respect to an insured, a noncontracting ground
25 ambulance provider, or an entity acting on its behalf, including an
26 assignee of the debt, shall not use wage garnishments or liens on
27 primary residences as a means of collecting unpaid bills pursuant
28 to this section.

29 (d) (1) Unless otherwise agreed to by the noncontracting ground
30 ambulance provider and the health insurer, the insurer shall
31 reimburse for ground ambulance services at the authorized rate
32 for the specific exclusive operating area pursuant to Section
33 1797.201 or 1797.224 of the Health and Safety Code.

34 (2) A payment made by the health insurer to the noncontracting
35 ground ambulance provider for services as required in subdivision
36 (a), plus the applicable cost sharing owed by the insured, shall
37 constitute payment in full for services rendered.

38 (3) Notwithstanding any other law, the amounts paid by a health
39 insurer for services under this section shall not constitute the
40 prevailing or customary charges, the usual fees to the general

1 public, or other charges for other payers for an individual ground
2 ambulance provider.

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

6 SEC. 6. Section 10352 of the Insurance Code is repealed.

7 ~~10352. (a) Every policy of disability insurance issued,~~
8 ~~amended, or renewed on and after January 1, 1987, that offers~~
9 ~~coverage for medical transportation services, shall contain a~~
10 ~~provision providing for direct reimbursement to any provider of~~
11 ~~covered medical transportation services if the provider has not~~
12 ~~received payment for those services from any other source.~~

13 ~~(b) Subdivision (a) shall not apply to any transaction between~~
14 ~~a provider of medical transportation services and the insurer under~~
15 ~~a disability insurance policy if the parties have entered into a~~
16 ~~contract providing for direct payment.~~

17 ~~(c) For purposes of this subdivision, "direct reimbursement"~~
18 ~~means the following:~~

19 ~~The insured shall file a claim for the medical transportation~~
20 ~~service with the insurer; the insurer shall pay the medical~~
21 ~~transportation provider directly; and the medical transportation~~
22 ~~provider shall not demand payment from the insured until having~~
23 ~~received payment from the insurer, at which time the medical~~
24 ~~transportation provider may demand payment from the insured for~~
25 ~~any unpaid portion of the provider's fee.~~

26 SEC. 7. No reimbursement is required by this act pursuant to
27 Section 6 of Article XIII B of the California Constitution because
28 the only costs that may be incurred by a local agency or school
29 district will be incurred because this act creates a new crime or
30 infraction, eliminates a crime or infraction, or changes the penalty
31 for a crime or infraction, within the meaning of Section 17556 of
32 the Government Code, or changes the definition of a crime within
33 the meaning of Section 6 of Article XIII B of the California
34 Constitution.