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.

State-mandated local program: yes.

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

SECTION 1. Section 1367.11 of the Health and Safety Code
is repealed.

1367.11. (a) Every health care service plan issued, amended,
or renewed on or after January 1, 1987, that offers coverage for
medical transportation services, shall contain a provision providing
for direct reimbursement to any provider of covered medical
transportation services if the provider has not received payment
for those services from any other source.

(b) Subdivision (a) shall not apply to any transaction between
a provider of medical transportation services and a health care
service plan if the parties have entered into a contract providing
for direct payment.
(c) For purposes of this subdivision, “direct reimbursement”
means the following:
The enrollee shall file a claim for the medical transportation
service with the plan; the plan shall pay the medical transportation
provider directly; and the medical transportation provider shall
not demand payment from the enrollee until having received
payment from the plan, at which time the medical transportation
provider may demand payment from the enrollee for any unpaid
portion of the provider’s fee.
SEC. 2. Section 1371.56 is added to the Health and Safety
Code, to read:
1371.56. (a) (1) Notwithstanding Section 1367.11, a health
care service plan contract issued, amended, or renewed on or after
January 1, 2024, shall require an enrollee who receives covered
services from a noncontracting ground ambulance provider to pay
no more than the same cost-sharing amount that the enrollee would
pay for the same covered services received from a contracting
ground ambulance provider, unless otherwise required to do so by
Section 1371.9. This amount shall be referred to as the “in-network
cost-sharing amount.”
(2) An enrollee shall not owe the noncontracting ground
ambulance provider more than the in-network cost-sharing amount
for services subject to this section. At the time of payment by the
plan to the noncontracting provider, the plan shall inform the
enrollee and the noncontracting provider of the in-network
cost-sharing amount owed by the enrollee.
(b) (1) The in-network cost-sharing amount paid by the enrollee
pursuant to this section shall count toward the limit on annual
out-of-pocket expenses established under Section 1367.006.
(2) Cost sharing arising pursuant to this section shall count
toward any deductible in the same manner as cost sharing would
be attributed to a contracting provider.
(3) The in-network cost-sharing amount paid by the enrollee
pursuant to this section shall satisfy the enrollee’s obligation to
pay cost sharing for the health service.
(c) A noncontracting ground ambulance provider shall only
advance to collections the in-network cost-sharing amount, as
determined by the plan pursuant to subdivision (a), that the enrollee failed to pay.

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

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

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

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

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

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

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

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

1797.124. (a) On or before March 1, 2024, and on or before each January 1 thereafter, the authority shall annually develop and
publish on its internet website a report showing the allowable
maximum rates for ground ambulance transportation services in
each county, including trending the rates by county.
(b) The authority shall annually submit each report to the
Department of Insurance and the Department of Managed Health
Care for purposes of rate review, as well as to the Office of the
Health Care Affordability.

SEC. 4. Section 1797.232 is added to the Health and Safety
Code, to read:
1797.232. (a) A ground ambulance provider shall not require
an uninsured patient or self-pay patient to pay an amount more
than the established payment by Medi-Cal or Medicare
fee-for-service amount, whichever is greater.
(b) (1) A ground ambulance provider shall only advance to
collections the Medicare or Medi-Cal payment amount, as
determined pursuant to subdivision (a), that the patient failed to
pay.
(2) The ground ambulance provider, or an entity acting on its
behalf, including a debt buyer or assignee of the debt, shall not
report adverse information to a consumer credit reporting agency
or commence civil action against the individual for a minimum of
150 days after the initial billing regarding amounts owed by the
individual pursuant to subdivision (a).
(3) With respect to an uninsured patient or self-pay patient, the
ground ambulance provider, or an entity acting on its behalf,
including an assignee of the debt, shall not use wage garnishments
or liens on primary residences as a means of collecting unpaid bills
pursuant to this section.

SEC. 5. Section 10126.66 is added to the Insurance Code, to
read:
10126.66. (a) (1) Notwithstanding Section 10352, a health
insurance policy issued, amended, or renewed on or after January
1, 2024, shall require an insured who receives covered services
from a noncontracting ground ambulance provider to pay no more
than the same cost-sharing amount that the insured would pay for
the same covered services received from a contracting ground
ambulance provider. This amount shall be referred to as the
“in-network cost-sharing amount.”
(2) An insured shall not owe the noncontracting ground
ambulance provider more than the in-network cost-sharing amount
for services subject to this section. At the time of payment by the
insurer to the noncontracting provider, the insurer shall inform the
insured and the noncontracting provider of the in-network
cost-sharing amount owed by the insured.
(b) (1) The in-network cost-sharing amount paid by the insured
pursuant to this section shall count toward the limit on annual
out-of-pocket expenses established under Section 10112.28.
(2) Cost sharing arising pursuant to this section shall count
toward any deductible in the same manner as cost sharing would
be attributed to a contracting provider.
(3) The in-network cost-sharing amount paid by the insured
pursuant to this section shall satisfy the insured’s obligation to pay
cost sharing for the health service.
(c) A noncontracting ground ambulance provider shall only
advance to collections the in-network cost-sharing amount, as
determined by the insurer pursuant to subdivision (a), that the
insured failed to pay.
(1) A noncontracting ground ambulance provider, or an entity
acting on its behalf, including a debt buyer or assignee of the debt,
shall not report adverse information to a consumer credit reporting
agency or commence civil action against the insured for a minimum
of 150 days after the initial billing regarding amounts owed by the
insured pursuant to subdivision (a).
(2) With respect to an insured, a noncontracting ground
ambulance provider, or an entity acting on its behalf, including an
assignee of the debt, shall not use wage garnishments or liens on
primary residences as a means of collecting unpaid bills pursuant
to this section.
(d) (1) Unless otherwise agreed to by the noncontracting ground
ambulance provider and the health insurer, the insurer shall
reimburse for ground ambulance services at the authorized rate
for the specific exclusive operating area pursuant to Section
1797.201 or 1797.224 of the Health and Safety Code.
(2) A payment made by the health insurer to the noncontracting
ground ambulance provider for services as required in subdivision
(a), plus the applicable cost sharing owed by the insured, shall
constitute payment in full for services rendered.
(3) Notwithstanding any other law, the amounts paid by a health
insurer for services under this section shall not constitute the
prevailing or customary charges, the usual fees to the general
public, or other charges for other payers for an individual ground
ambulance provider.
(e) This section does not affect the balance billing protections
for Medi-Cal beneficiaries under Section 14019.4 of the Welfare
and Institutions Code.

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

10352. (a) Every policy of disability insurance issued,
amended, or renewed on and after January 1, 1987, that offers
coverage for medical transportation services, shall contain a
provision providing for direct reimbursement to any provider of
covered medical transportation services if the provider has not
received payment for those services from any other source.
(b) Subdivision (a) shall not apply to any transaction between
a provider of medical transportation services and the insurer under
a disability insurance policy if the parties have entered into a
contract providing for direct payment.
(c) For purposes of this subdivision, “direct reimbursement”
means the following:
The insured shall file a claim for the medical transportation
service with the insurer; the insurer shall pay the medical
transportation provider directly; and the medical transportation
provider shall not demand payment from the insured until having
received payment from the insurer, at which time the medical
transportation provider may demand payment from the insured for
any unpaid portion of the provider’s fee.

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