SB51

A5GI7QS-1

By Senators Singleton, Coleman, Coleman-Madison, Stewart

RFD: Banking and Insurance

First Read: 04-Feb-25

SYNOPSIS:

Currently, a provider that is not in a health care insurer's network may bill an insured individual for the balance of its retail charge for ground ambulance service after it has received payment from the insurer. This practice is called "balance" or "surprise billing."

This bill would prohibit surprise billing by setting a minimum rate for health insurers to pay out-of-network ground ambulance providers, which would be considered payment in full. This rate would be a multiplier of the current Medicare reimbursement amount. Under this bill, a ground ambulance provider could directly charge an individual for no more than the in-network cost-sharing amount under the insurance contract.

This bill would further require health insurers to directly pay the ambulance service and not the covered individual.

A BILL

TO BE ENTITLED

AN ACT

Relating to health insurance; to establish a minimum reimbursement rate for out-of-network ground ambulance services covered by health insurance plans; to provide that the minimum reimbursement amount is payment in full for ground ambulance services; to prohibit balance billing of insureds who receive emergency transportation from out-of-network ground ambulance services; to provide for reimbursement guidelines for health insurers and out-of-network ground ambulance services; and to amend Sections 10A-20-6.16 and 27-21A-23, Code of Alabama 1975, to make conforming changes.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. For the purposes of this act, the following words have the following meanings:

(1) CLEAN CLAIM. A reimbursement claim for covered services which is submitted to a health care insurer and which contains substantially all of the data and information necessary for accurate adjudication, without the need for additional information from the emergency medical provider service or a third party.

(2) COLLECTION. Any written or oral communication made to an enrollee for the purpose of obtaining payment for the services rendered by an emergency medical service provider, including invoicing and legal debt collection efforts.

(3) COST-SHARING AMOUNT. The enrollee's deductible, coinsurance, copayment, or other amount due under a health care benefit plan for covered services.

(4) COVERED SERVICES or COVERED SERVICE. Those services

provided by an emergency medical service provider which are covered by an enrollee's health care benefit plan, including emergency ground transport.

(5) EMERGENCY GROUND TRANSPORT. An emergency event in which an enrollee is transported by an emergency medical service provider to a hospital or definitive care facility as defined in Section 22-18-1, Code of Alabama 1975, and which may include basic life support or advanced life support.

(6) EMERGENCY MEDICAL SERVICE PROVIDER or PROVIDER. Any public or private organization that is licensed to provide emergency medical services as defined in Section 22-18-1, Code of Alabama 1975, including emergency ground transport.

(7) ENROLLEE. An individual who resides in the State of Alabama who is covered by a health care benefit plan.

(8) HEALTH CARE BENEFIT PLAN. Any individual or group plan, policy, or contract issued, delivered, or renewed in this state by a health care insurer to provide, deliver, arrange for, pay for, or reimburse health care services, including those provided by an emergency medical service provider, except for payments for health care made under automobile or homeowners insurance plans, accident-only plans, specified disease plans, long-term care plans, supplemental hospital or fixed indemnity plans, dental and vision plans, or Medicaid.

(9) HEALTH CARE INSURER. Any entity that issues or administers a health care benefit plan, including a health care insurer, a health care services plan incorporated under Chapter 20 of Title 10A, Code of Alabama 1975, or a health

maintenance organization established under Chapter 21A of Title 27, Code of Alabama 1975.

(10) IN-NETWORK. When an emergency medical service provider is in a contract with the health care insurer to provide covered services in the health care insurer's provider network.

(11) OUT-OF-NETWORK. When an emergency medical service provider does not have a contract with a health care insurer to provide covered services in the health care insurer's provider network.

Section 2. The minimum reimbursement amount a health care insurer shall pay to an emergency medical service provider that is out-of-network for covered services is the lesser of the emergency medical service provider's billed charge or 325 percent of the Medicare rate that is in effect for the geographic area in which the covered service, including emergency ground transport, is provided as published by the Centers for Medicare & Medicaid Services.

Section 3. (a)(1) Payment in accordance with Section 2 shall be payment in full for covered services.

(2) An emergency medical service provider that is out-of-network, including the provider's agent, contractor, or assignee, may not bill or seek collection of any amount from an enrollee which is in excess of the minimum reimbursement amount as provided in Section 2, except for the enrollee's in-network cost-sharing amount.

(3) The health care insurer shall certify an enrollee's in-network cost-sharing amount to the provider upon request.

(b)(1) Within 30 days after receipt of a clean claim for reimbursement, a health care insurer shall remit payment to an out-of-network emergency medical service provider and shall not send payment to an enrollee.

(2) If a claim for reimbursement submitted by an emergency medical service provider to a health care insurer is not a clean claim, within 30 days the health care insurer shall send the provider a written receipt acknowledging the claim, accompanied with one of the following applicable statements:

a. The insurer is declining to pay all or a part of the claim and the specific reason for the denial.

b. Additional information is necessary to determine if the claim is payable and the specific additional information that is required.

(3) Any dispute between a health care insurer and an emergency medical service provider over the amount to be paid to the provider may be settled by one of the following means:

a. Affording the provider access to the insurer's internal forum for resolving provider disputes concerning coverage and reimbursement amounts.

b. Selecting an internal dispute resolution contractor mutually agreeable to the insurer and the provider.

(c) The enrollee shall not be included in any communication between the health care insurer and the out-of-network emergency medical service provider pursuant to the insurer's payment of the provider, nor shall the enrollee be a party in the resolution of any payment dispute between

the insurer and the provider.

Section 4. Sections 10A-20-6.16 and 27-21A-23, Code of Alabama 1975, are amended to read as follows:

"§10A-20-6.16

(a) No statute of this state applying to insurance companies shall be applicable to any corporation organized under this article and amendments thereto or to any contract made by the corporation; except the corporation shall be subject to the following:

(1) The provisions regarding annual premium tax to be paid by insurers on insurance premiums.

(2) Chapter 55 of Title 27.

(3) Article 2 and Article 3 of Chapter 19 of Title 27.

(4) Section 27-1-17.

(5) Chapter 56 of Title 27.

(6) Rules adopted by the Commissioner of Insurance pursuant to Sections 27-7-43 and 27-7-44.

(7) Chapter 54 of Title 27.

(8) Chapter 57 of Title 27.

(9) Chapter 58 of Title 27.

(10) Chapter 59 of Title 27.

(11) Chapter 54A of Title 27.

(12) Chapter 12A of Title 27.

(13) Chapter 2B of Title 27.

(14) Chapter 29 of Title 27.

(15) Chapter 62 of Title 27.

(16) Chapter 63 of Title 27.

(17) Chapter 45A of Title 27.

(18) Sections 2 and 3 of this act.

(b) The provisions in subsection (a) that require specific types of coverage to be offered or provided shall not apply when the corporation is administering a self-funded benefit plan or similar plan, fund, or program that it does not insure."

"§27-21A-23

(a) Except as otherwise provided in this chapter, provisions of the insurance law and provisions of health care service plan laws shall not be applicable to any health maintenance organization granted a certificate of authority under this chapter. This provision shall not apply to an insurer or health care service plan licensed and regulated pursuant to the insurance law or the health care service plan laws of this state except with respect to its health maintenance organization activities authorized and regulated pursuant to this chapter.

(b) Solicitation of enrollees by a health maintenance organization granted a certificate of authority shall not be construed to violate any provision of law relating to solicitation or advertising by health professionals.

(c) Any health maintenance organization authorized under this chapter shall not be deemed to be practicing medicine and shall be exempt from the provisions of Section 34-24-310, et seq., relating to the practice of medicine.

(d) No person participating in the arrangements of a health maintenance organization other than the actual provider of health care services or supplies directly to enrollees and

their families shall be liable for negligence, misfeasance, nonfeasance, or malpractice in connection with the furnishing of such services and supplies.

(e) Nothing in this chapter shall be construed in any way to repeal or conflict with any provision of the certificate of need law.

(f) Notwithstanding the provisions of subsection (a), a health maintenance organization shall be subject to all of the following:

(1) Section 27-1-17.

(2) Chapter 56.

(3) Chapter 54.

(4) Chapter 57.

(5) Chapter 58.

(6) Chapter 59.

(7) Rules adopted by the Commissioner of Insurance pursuant to Sections 27-7-43 and 27-7-44.

(8) Chapter 12A.

(9) Chapter 54A.

(10) Chapter 2B.

(11) Chapter 29.

(12) Chapter 62.

(13) Chapter 63.

(14) Chapter 45A.

(15) Sections 2 and 3 of this act."

Section 5. This act shall become effective on October 1, 2025.