1 HB401

2 ZMCVRWR-1

3 By Representatives Oliver, Brown, Wood (D), Robbins, Starnes,

4 Stringer

5 RFD: Insurance

6 First Read: 02-Apr-24

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

29 AN ACT

30

31 Relating to health insurance; to establish a minimum
32 reimbursement rate for out-of-network ground ambulance
33 services covered by health insurance plans; to provide that
34 the minimum reimbursement amount is payment in full for ground
35 ambulance services; to prohibit balance billing of insureds
36 who receive emergency transportation from out-of-network
37 ground ambulance services; to provide for reimbursement
38 guidelines for health insurers and out-of-network ground
39 ambulance services; and to amend Sections 10A-20-16 and
40 27-21A-23, Code of Alabama 1975, to make conforming changes.
41 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:
42 Section 1. For the purposes of this act, the following
43 words have the following meanings:
44 (1) CLEAN CLAIM. A reimbursement claim for covered
45 services which is submitted to a health care insurer and which
46 contains substantially all of the data and information
47 necessary for accurate adjudication, without the need for
48 additional information from the emergency medical provider
49 service or a third party.
50 (2) COLLECTION. Any written or oral communication made
51 to an enrollee for the purpose of obtaining payment for the
52 services rendered by an emergency medical service provider,
53 including invoicing and legal debt collection efforts.
54 (3) COST-SHARING AMOUNT. The enrollee's deductible,
55 coinsurance, copayment, or other amount due under a health
56 care benefit plan for covered services.

57 (4) COVERED SERVICES or COVERED SERVICE. Those services
58 provided by an emergency medical service provider which are
59 covered by an enrollee's health care benefit plan, including
60 emergency ground transport.
61 (5) EMERGENCY GROUND TRANSPORT. An emergency event in
62 which an enrollee is transported by an emergency medical
63 service provider to a hospital or definitive care facility as
64 defined in Section 22-18-1, Code of Alabama 1975, and which
65 may include basic life support or advanced life support.
66 (6) EMERGENCY MEDICAL SERVICE PROVIDER or PROVIDER. Any
67 public or private organization that is licensed to provide
68 emergency medical services as defined in Section 22-18-1, Code
69 of Alabama 1975, including emergency ground transport.
70 (7) ENROLLEE. An individual who resides in the State of
71 Alabama who is covered by a health care benefit plan.
72 (8) HEALTH CARE BENEFIT PLAN. Any individual or group
73 plan, policy, or contract issued, delivered, or renewed in
74 this state by a health care insurer to provide, deliver,
75 arrange for, pay for, or reimburse health care services,
76 including those provided by an emergency medical service
77 provider, except for payments for health care made under
78 automobile or homeowners insurance plans, accident-only plans,
79 specified disease plans, long-term care plans, supplemental
80 hospital or fixed indemnity plans, dental and vision plans, or
81 Medicaid.
82 (9) HEALTH CARE INSURER. Any entity that issues or
83 administers a health care benefit plan, including a health
84 care insurer, a health care services plan incorporated under

85 Chapter 20 of Title 10A, Code of Alabama 1975, or a health
86 maintenance organization established under Chapter 21A of
87 Title 27, Code of Alabama 1975.
88 (10) IN-NETWORK. When an emergency medical service
89 provider is in a contract with the health care insurer to
90 provide covered services in the health care insurer's provider
91 network.
92 (11) OUT-OF-NETWORK. When an emergency medical service
93 provider does not have a contract with a health care insurer
94 to provide covered services in the health care insurer's
95 provider network.
96 Section 2. The minimum reimbursement amount a health
97 care insurer shall pay to an emergency medical service
98 provider that is out-of-network for covered services is the
99 lesser of the emergency medical service provider's billed
100 charge or 325 percent of the Medicare rate that is in effect
101 for the geographic area in which the covered service,
102 including emergency ground transport, is provided as published
103 by the Centers for Medicare & Medicaid Services.
104 Section 3. (a)(1) Payment in accordance with Section 2
105 shall be payment in full for covered services.
106 (2) An emergency medical service provider that is
107 out-of-network, including the provider's agent, contractor, or
108 assignee, may not bill or seek collection of any amount from
109 an enrollee which is in excess of the minimum reimbursement
110 amount as provided in Section 2, except for the enrollee's
111 in-network cost-sharing amount.
112 (3) The health care insurer shall certify an enrollee's

113 in-network cost sharing amount to the provider upon request.
114 (b)(1) Within 30 days after receipt of a clean claim
115 for reimbursement, a health care insurer shall remit payment
116 to an out-of-network emergency medical service provider and
117 shall not send payment to an enrollee.
118 (2) If a claim for reimbursement submitted by an
119 emergency medical service provider to a health care insurer is
120 not a clean claim, within 30 days the health care insurer
121 shall send the provider a written receipt acknowledging the
122 claim, accompanied with one of the following applicable
123 statements:
124 a. The insurer is declining to pay all or a part of the
125 claim and the specific reason for the denial.
126 b. Additional information is necessary to determine if
127 the claim is payable and the specific additional information
128 that is required.
129 (3) Any dispute between a health care insurer and an
130 emergency medical service provider over the amount to be paid
131 to the provider may be settled by one of the following means:
132 a. Affording the provider access to the insurer's
133 internal forum for resolving provider disputes concerning
134 coverage and reimbursement amounts.
135 b. Selecting an internal dispute resolution contractor
136 mutually agreeable to the insurer and the provider.
137 (c) The enrollee shall not be included in any
138 communication between the health care insurer and the
139 out-of-network emergency medical service provider pursuant to
140 the insurer's payment of the provider, nor shall the enrollee

141 be a party in the resolution of any payment dispute between
142 the insurer and the provider.
143 Section 4. Sections 10A-20-6.16 and 27-21A-23, Code of
144 Alabama 1975, are amended to read as follows:
145 "§10A-20-6.16
146 (a) No statute of this state applying to insurance
147 companies shall be applicable to any corporation organized
148 under this article and amendments thereto or to any contract
149 made by the corporation; except the corporation shall be
150 subject to the following:
151 (1) The provisions regarding annual premium tax to be
152 paid by insurers on insurance premiums.
153 (2) Chapter 55 of Title 27.
154 (3) Article 2 and Article 3 of Chapter 19 of Title 27.
155 (4) Section 27-1-17.
156 (5) Chapter 56 of Title 27.
157 (6) Rules adopted by the Commissioner of Insurance
158 pursuant to Sections 27-7-43 and 27-7-44.
159 (7) Chapter 54 of Title 27.
160 (8) Chapter 57 of Title 27.
161 (9) Chapter 58 of Title 27.
162 (10) Chapter 59 of Title 27.
163 (11) Chapter 54A of Title 27.
164 (12) Chapter 12A of Title 27.
165 (13) Chapter 2B of Title 27.
166 (14) Chapter 29 of Title 27.
167 (15) Chapter 62 of Title 27.
168 (16) Chapter 63 of Title 27.

169 (17) Chapter 45A of Title 27.
170 (18) Sections 2 and 3 of this act.
171 (b) The provisions in subsection (a) that require
172 specific types of coverage to be offered or provided shall not
173 apply when the corporation is administering a self-funded
174 benefit plan or similar plan, fund, or program that it does
175 not insure."
176 "§27-21A-23
177 (a) Except as otherwise provided in this chapter,
178 provisions of the insurance law and provisions of health care
179 service plan laws shall not be applicable to any health
180 maintenance organization granted a certificate of authority
181 under this chapter. This provision shall not apply to an
182 insurer or health care service plan licensed and regulated
183 pursuant to the insurance law or the health care service plan
184 laws of this state except with respect to its health
185 maintenance organization activities authorized and regulated
186 pursuant to this chapter.
187 (b) Solicitation of enrollees by a health maintenance
188 organization granted a certificate of authority shall not be
189 construed to violate any provision of law relating to
190 solicitation or advertising by health professionals.
191 (c) Any health maintenance organization authorized
192 under this chapter shall not be deemed to be practicing
193 medicine and shall be exempt from the provisions of Section
194 34-24-310, et seq., relating to the practice of medicine.
195 (d) No person participating in the arrangements of a
196 health maintenance organization other than the actual provider

197 of health care services or supplies directly to enrollees and
198 their families shall be liable for negligence, misfeasance,
199 nonfeasance, or malpractice in connection with the furnishing
200 of such services and supplies.
201 (e) Nothing in this chapter shall be construed in any
202 way to repeal or conflict with any provision of the
203 certificate of need law.
204 (f) Notwithstanding the provisions of subsection (a), a
205 health maintenance organization shall be subject to all of the
206 following:
207 (1) Section 27-1-17.
208 (2) Chapter 56.
209 (3) Chapter 54.
210 (4) Chapter 57.
211 (5) Chapter 58.
212 (6) Chapter 59.
213 (7) Rules adopted by the Commissioner of Insurance
214 pursuant to Sections 27-7-43 and 27-7-44.
215 (8) Chapter 12A.
216 (9) Chapter 54A.
217 (10) Chapter 2B.
218 (11) Chapter 29.
219 (12) Chapter 62.
220 (13) Chapter 63.
221 (14) Chapter 45A.
222 (15) Sections 2 and 3 of this act."
223 Section 5. This act shall become effective on October
224 1, 2024.