

Senate Health and Human Services Committee

Sophie Walsh 271-3469

HB 316-FN, relative to reimbursement for ground ambulance services.

Hearing Date: April 16, 2025

Time Opened: 9:48 a.m.

Time Closed: 10:55 a.m.

Members of the Committee Present: Senators Rochefort, Avard, Birdsell, Prentiss and Long

Members of the Committee Absent: None

Bill Analysis: This bill makes changes to the regulatory environment for ground ambulance services and commercial health insurance reimbursement for these services by establishing a uniform, default rate schedule, prohibiting ground ambulance providers from balance billing, providing for continued updating of the rate schedule, and establishing a commission on an all-payer model program for ground ambulance services.

The bill is a request of the insurance department.

Sponsors:

Rep. Hunt

Who supports the bill: Rep. John Hunt, Scott Burns, Roy Schweiker, Linda Holstein Stronge, and Danielle Doughty.

Who opposes the bill: Rep. Jerry Stringham, Rep. Mark Proulx, Rep. Mike Ouellet, Chris Stawasz (NH Ambulance Association), Jack Wozmak (Cheshire County Treasurer), Shawn Riley, Christopher Hogan (Stewart's Ambulance), Jim Wheatley (Lebanon Fire), Mark Boarick (Weare Fire), Trevor Anderson (Weare Fire), Justin Van Etten (Stewart's Ambulance), David Awmann (NHAA), Sarah Burke Cohen (NH Municipal Association), Michael Sitar (NH Association of Fire Chiefs), Maurice Paquette (Allenstown Fire), John Hebert (Pridestar EMS), Stacy Meuir (Stewart's Ambulance), Elisa Robinson, Timothy Leavitt, Nathan Borland (Stewart's Ambulance), Winifred Tenstall (Laconia FD), Scott Lewandowski (Laconia FD), Will Bartels (Barnstead Fire), Chris Lemelin (McGregor EMS), Joanne Lundy, Vicki Blanchard (GB EMS), Sara Cannell (GB EMS), Theodore Mackwood (Canaan Fire Rescue), Renzo Chumbes (Woodsville EMS), Andrew Brown, Danielle Gardiner, James Durkin (AFSCME Council 93), Eric Schelberg, Brian Ryll (PFFNH), and David Caron (Town of Derry).

Who is neutral on the bill: Paula Rogers (AHIP), Sabrina Dunlap (Anthem), DJ Bettencourt and Michelle Heaton (NH Insurance Department), and Cam Lapine (Cigna).

Summary of testimony presented:

Senator Kevin Avard, Senate District 12

- Senator Avard introduced the bill on behalf of Representative Hunt.
- This bill makes changes to the regulatory environment for ground ambulance services and commercial health insurance reimbursement by establishing a uniform and default rate schedule, prohibiting ground ambulance providers from balance billing, providing for continued update of the rate schedule, and establishing a commission on an all-payer model program for ground ambulance services.

Representative Mark Proulx, Hillsborough – District 15

- Representative Proulx explained that companies will not survive if the proposed rate is implemented. EMS services have already begun leaving New Hampshire, and others are running on skeleton crews.
- He explained that if anything, it would be better to go back to the old system in which they can bill insurance, and if they are not paid what they are owed, they can balance bill. He emphasized that they would prefer that insurance companies pay the bill they send them.
- Representative Proulx explained that ambulance services are billing what it costs them to run. They work 24/7 365 days a year and must pay for staffing, equipment, and upkeep of units and equipment.
- Representative Proulx's department has 3 monitors, all of which need to be replaced this year. They cannot run without these monitors, and they have more than doubled in price.

Chris Stawasz, New Hampshire Ambulance Association

- Mr. Stawasz stated that he is speaking in opposition to this bill.
- The New Hampshire Ambulance Association came into this with one goal of ending balanced billing for commercially insured patients without compromising ambulance reimbursement levels.
- As written, this bill does not meet that goal with the proposed reimbursement rate of 202% of Medicare. This falls short and puts the entire emergency medical system at considerably further risk. This rate has been universally opposed by every ambulance provider in the state.
- Mr. Stawasz explained that this protects commercial insurance companies, allowing them to continue underpaying for critical services while shifting the

financial burden to New Hampshire property taxpayers. He emphasized that these costs should be covered by insurance premiums, not local tax dollars.

- Mr. Stawasz explained that 70% of all ambulance reimbursement comes from either Medicare or Medicaid. Currently, Medicare pays 46% of the actual cost of care, while Medicaid pays 42%. He emphasized that these are unsustainable numbers.
- Mr. Stawasz acknowledged that some may say raising reimbursement levels will drive insurance premiums up to unsustainable levels. He explained that this is not supported by data, citing that increasing the reimbursement rate to 325% of Medicare would increase premiums by roughly \$10 per year per person.
- Mr. Stawasz explained that to protect patients and providers, we should set the reimbursement rate at 325% of Medicare, add a pilot clause to allow for time for a comprehensive independent cost study to take place, and use that time to address deeper issues such as the underfunding of Medicare and Medicaid.
- Senator Avard asked if firefighters are part of the reimbursement.
- Mr. Stawasz said it depends on the system, as some have first responder fees that go back to the fire department or the agency that responds first. He used Nashua as an example, explaining that a private contractor reimburses the city for the cost of dispatch fees and for taking the calls and dispatching them out. A loss of revenue would impact the ability to continue this process.

Representative John Hunt, Cheshire – District 14

- Representative Hunt stated that this bill is a request from the Insurance Department.
- He explained that this issue has been around for his entire 40-year career as a legislator. The House Commerce Committee passed this bill as a fair solution.
- He emphasized that this is not a number pulled out of the air. This is a calculated, well thought out, long-term solution.
- Representative Hunt explained that a survey was conducted to assess what the true costs are.
- Representative Hunt noted that this bill also addresses the issue of when ambulances come to scenes but the patient does not want the ride.
- He explained that the number to make ambulances whole will never be found because Medicare and Medicaid make up 80% of the people who ride ambulances. He emphasized that they are the ones who are not paying their fair share.
- Representative Hunt said that small businesses and individuals are being hit with high percentages.
- Representative Hunt stated that this is the first time the legislature has intervened and set a reimbursement rate.

Representative Jerry Stringham, Grafton – District 3

- Representative Stringham explained that when the Insurance Department made available the group that performed the cost study, he reached out to them with questions.
- He explained that to calculate the cost, they added up the costs from all ambulance services and then removed monies paid to the services by cities and towns. When he asked why that was done, they said that is what they were told to do.
- Representative Stringham said this tries to promote the idea that we can have an all-payer model where Medicare, Medicaid, and managed care will all pay the same amount. He said one of the underlying assumptions on their part was that we still want cities and town to pay the same they were before and should thus take out the cost.
- Representative Stringham said there were two other things that made the numbers low: they attempted to find how much effort is being put in by volunteers and include that, and there was a fudge factor.
- Representative Stringham said 325% or higher would represent a fair cost, would be a better result for the service, and would get rid of balanced billing.
- Senator Avard asked if Representative Stringham liked the bill or not, and Representative Stringham said not without significant amendments.
- Senator Prentiss noted that the study factored in treatment and no transport at \$500 per call. She asked if this could undermine or skew the results of the report since this doesn't currently exist. Representative Stringham said it could.

Jack Wozmak, Cheshire County Treasurer

- Mr. Wozmak described the bill as terrible and noted that ambulance reimbursement rates have been a persistent issue.
- At least a dozen providers have financially collapsed due to poor reimbursement.
- Mr. Wozmak stated that he has been involved with 30 communities facing this crisis.
- The Cheshire County government had to get involved with EMS a few years ago due to poor reimbursement rates.
- Mr. Wozmak stated that Anthem had a \$6 billion dollar profit in 2024. It is estimated that passing realistic reimbursement rates would add \$1 per month to subscriber costs.
- Mr. Wozmak said we already do enough cost shifting on property taxpayers, and that this proposal will continue breaking the back of EMS.

Justin Van Etten, Stewart's Ambulance

- Mr. Van Etten stated that he is speaking in opposition to this bill. Others in opposition include former state senators who worked on this issue, elected selectmen, city councilors, fire chiefs, as well as doctors and nurses.
- He explained that while well intended, the cost study was based on false assumptions.
- Mr. Van Etten addressed Senator Prentiss' question about treatment without transport and explained that the study assumed that EMS has been delivered in a way that has not historically been done. He said this has been done in approximately 1% of New Hampshire communities. If the study had not made this assumption, the reimbursement rate goes up to 230% of Medicare.
- Mr. Van Etten said 325% is a number proven to work nationwide, and it has not impacted health insurance rates in the states that have adopted this.
- The only state that has experimented with the 202% rate is Maine. Stewart's Ambulance had to pull out of Maine due to the collapse of their EMS system. This has resulted in a \$35 million per year bailout from the state's general fund. Mr. Van Etten said the only constituency that has done well in Maine with the 202% has been insurance companies.
- Senator Avard asked if the ambulance has to show up when 911 is called.
- Mr. Van Etten explained that an ambulance does not have to show up, as a State Police cruiser can be sent. Many communities that cannot find ambulance services have had to start doing this.

Sarah Burke Cohen, New Hampshire Municipal Association

- Ms. Burke Cohen stated that she is speaking in opposition to this bill.
- She echoed previous testimony provided in opposition and explained that the Municipal Association does not believe the rate of approximately 200% would be adequate to allow for ground ambulance services to survive or continue operating as they do now.

Michael Sitar, New Hampshire Association of Fire Chiefs

- Chief Sitar described this as bad legislation, noting that it was based on a deeply flawed study commissioned by the New Hampshire Insurance Department and paid for by the insurance companies.
- He said the study is flawed, as its findings are based on false or improbable assumptions.
- It assumes Medicare will double its reimbursement rates and assumes that the state will double Medicaid reimbursement rates.
- It assumes that communities will start charging for treatment with no transport, which does not happen almost anywhere.
- It assumes that EMS costs historically covered by property taxes are not costs that insurance companies should reimburse.

- It excluded 14% of respondents because their costs were too high, and did not exclude any communities that had abnormally low costs.
- It did not account for expenses required to replace ambulances or equipment.
- Chief Sitar stated that the New Hampshire Association of Fire Chiefs supports the elimination of balanced billing, but it must be done in a way that ensures insurance reimbursement rates are adequate and does not place an additional burden on property taxpayers.
- The Association feels as though the reimbursement rate in SB 245 is a better option.
- Senator Rochefort asked how the Association's position is reflected in this.
- Chief Sitar explained their position is that while SB 245 is requesting 325%, costs are actually higher than that. Regardless, 325% is something that would get us closer to where we need to be.
- Senator Rochefort confirmed that HB 316 does not reflect their position, and Chief Sitar confirmed.
- Senator Prentiss asked if it would be accurate to say that the Association wants to eliminate balanced billing, and Chief Sitar confirmed.

Paula Rogers, AHIP

- Ms. Rogers explained Medicare and Medicaid make up 75-80% of ambulance users and people think they do not pay enough, while commercial insurers make up 15-20% and people think they do not pay enough. This is a cost-shift burden that is anathema to insurers
- She said she is not sure how the plans feel, but they know that something is going to happen. She referenced the various bills dealing with this issue and noted that balanced billing is at the core of all of the bills in some way, as everyone is trying to protect the consumer.
- She noted that two of the bills have commissions, which is important because a comprehensive look at the delivery of EMS services needs to be had in a rational way.
- Senator Rochefort asked if she is not opposed to a rate setting model, and Ms. Rogers explained that there is going to be a sense of opposition intellectually, but something practically has to give and the plans are here because they want to participate.
- Senator Avard said he assumes she likes the premise of this bill but noted that it is causing issues with EMS. He asked how this could be made better.
- Ms. Rogers stated that there needs to be some hands-on discussion.
- Senator Avard asked if making the number higher would help.
- Ms. Rogers said she cannot speak to that, but she is hearing that the pressure is on 202% to go higher.

Sabrina Dunlap, Anthem

- Ms. Dunlap stated that there are a lot of challenges with the nature of ambulances, as they are part municipal and part healthcare.
- She said the cost study was a good faith effort to understand the real costs of ambulances, and it was not the insurance companies' idea.
- Ms. Dunlap said it is not generally true that the only supporters of this are insurance companies, noting that while they are not generally supportive of rate setting, Anthem is neutral on this bill.
- Between the proposed rates of 202% and 325%, Ms. Dunlap suggests that 202% is a better idea because it is based on a cost study and seems more measured.
- Ms. Dunlap emphasized that several things can be true at once. They recognize the importance of ambulance services and that changes may need to be made to solve the challenges facing ambulances.
- Ms. Dunlap explained that both bills do away with the concepts of networks, which are the foundation for managed care.
- She addressed previous comments about the lack of networks for ambulances and explained that Anthem has a number of private ambulance providers and municipalities in-network.
- Senator Prentiss noted that she does not see either bill eliminating networks and asked Ms. Dunlap to expand on where she is coming from.
- Ms. Dunlap clarified that the bills do not have explicit language doing this, but functionally speaking, if a rate is set as a default, she does not see a world where they can have negotiations around rates to get ambulance providers in network.

Commissioner DJ Bettencourt & Michelle Heaton, New Hampshire Insurance Department

- Commissioner Bettencourt explained that as a result of the conversation had on this topic last session, a compromise bill was passed mandating the Insurance Department to complete an actuarial cost study with an aggressive timeline for results.
- He acknowledged prior testimony about exceptions being made to some of the findings and said he is uncertain as to whether some of those issues could have been worked out with more time.
- He said PCG, the third party contracted to complete the study, did as good of a job as possible with the time they were given.
- Before the study, the Department also convened an ambulance summit where stakeholders and legislators came together to better understand the issue.
- Commissioner Bettencourt stated that the Department wants to see a prohibition on balanced billing and to do what they can to support EMS providers.

- He said there is some danger in the status quo and suggested bringing together another group of stakeholders to dig into the rate issue and seek a compromise.
- Senator Prentiss referenced the 12 highest-cost ambulance providers being excluded from the study and asked if it was 12 and why they were excluded.
- Commissioner Bettencourt explained that one of the biggest reasons the Department contracted with an outside firm is because this is a science he is not an expert in. He emphasized that the decision was grounded in concepts applied to ensure accuracy.
- Ms. Heaton explained that given the limited amount of time, PCG collected data from Centers for Medicare & Medicaid Services' (CMS) Ground Ambulance Data Collection System (GADCS). However, because this did not account for all CMS providers, PCG conducted an abbreviated, alternative survey for those who did not complete GADCS.
- PCG did not have time to verify information collected in the alternative survey, so incomplete submissions were excluded. For submissions with easily identifiable errors, PCG did reach out to submitters to rectify the issue. Submissions in the sample that were not representative of New Hampshire or applicable were also removed, including out-of-state providers and air ambulances.
- Once the smaller data pool was established, accepted statistical principles of data analytics were applied, resulting in some of the higher-end providers being excluded.
- Senator Prentiss asked if it would make sense in their experience to go back to the table as part of a solution, while agreeing on some type of stabilization mechanism in the meantime, to ensure this is correct and accurate data.
- Commissioner Bettencourt said he wants to do everything he can to find a practical solution to this problem of stopping balanced billing and supporting EMS providers.
- He emphasized that he agrees the analysis should be constantly looked at and updated.
- Dr. Aziz provided further explanation on the study and explained that the expedited time frame is what drove them to use existing GADCS data.
- Across the sample population, they noted that there was some hyperbolic and almost implausible cost reports included.
- The statistical approach they endeavored aimed to censor out implausibly high-cost reports, meaning that some of the hyperbolic cost reports were still included.
- Dr. Aziz emphasized that New Hampshire EMS units did a good job providing sound cost data, and the sample population used for the study was sound and solid.

- Commissioner Bettencourt added that there was a buffer in the numbers to account for some of the data deviations.

Chris Lemelin, McGregor EMS

- Mr. Lemelin stated that McGregor EMS and the New Hampshire Ambulance Association support the end of balanced billing.
- He explained that McGregor EMS would like to be in network with insurance companies. A few years ago, he reached out to several insurance companies, but their rates would have resulted in a loss for McGregor EMS and carriers were not willing to negotiate.
- Mr. Lemelin expressed concern about the impact this bill could have if passed.
- There are many communities that may not have the tax base to support a robust ambulance service. He said it benefits all of us to have a policy and rate that will support EMS state-wide.
- Mr. Lemelin referenced treatment without transport and expressed concern about people being hesitant to call if they are forced to put that rate in place as a result of this cost study.
- He noted that there are situations in which they provide extensive care on-scene and can prevent transport to the hospital, but having this policy across the board will harm patients and force ambulance providers into something they have never done before.