

HB 185-FN - AS INTRODUCED

2025 SESSION

25-0167

05/09

HOUSE BILL ***185-FN***

AN ACT relative to reimbursement rates for ambulance service providers.

SPONSORS: Rep. Proulx, Hills. 15

COMMITTEE: Commerce and Consumer Affairs

ANALYSIS

This bill requires insurers to directly reimburse ambulance service providers the amount billed by the provider for the service or at the rate negotiated by the insurer and provider.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears ~~[in brackets and struck through.]~~
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Five

AN ACT relative to reimbursement rates for ambulance service providers.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Individual Health Insurance; Ambulance Service Provider Reimbursement; Direct Payment.

2 Amend RSA 415:6-q to read as follows:

3 415:6-q Reimbursement for Ambulance Service Providers.

4 ***I.*** Each insurer that issues or renews any individual policy, plan, or contract of accident or
5 health insurance that constitutes health coverage under RSA 420-G:2, IX, and that provides benefits
6 for medically necessary ambulance services shall reimburse the ambulance service provider directly
7 ~~[subject to the terms and conditions of the policy, plan, or contract]~~. ***An insurer shall provide***
8 ***reimbursement for ambulance services at rates negotiated between the insurer and the***
9 ***ambulance service provider. In the absence of agreed upon rates, an insurer shall pay the***
10 ***amount billed by the ambulance service provider for the service, subject to review by the***
11 ***insurance department in the event of a dispute regarding whether the charge is***
12 ***reasonable. The provisions of this section shall not apply to policies that do not include***
13 ***coverage for ambulance services.***

14 ***II.*** Nothing in this section shall preclude an insurer from negotiating with and subsequently
15 entering into a contract with a non-participating ambulance provider that establishes rates of
16 reimbursement for emergency medical services.

17 2 Group Insurance Ambulance Service Provider Reimbursement; Direct Payment. Amend RSA
18 415:18-v to read as follows:

19 415:18-v Reimbursement for Ambulance Service Providers.

20 ***I.*** Each insurer that issues or renews any policy of group or blanket accident or health
21 insurance that constitutes health coverage under RSA 420-G:2, IX, and that provides benefits for
22 medically necessary ambulance services shall reimburse the ambulance service provider directly
23 ~~[subject to the terms and conditions of the policy, plan, or contract]~~. ***An insurer shall provide***
24 ***reimbursement for ambulance services at rates negotiated between the insurer and the***
25 ***ambulance service provider. In the absence of agreed upon rates, an insurer shall pay the***
26 ***amount billed by the ambulance service provider for the service, subject to review by the***
27 ***insurance department in the event of a dispute regarding whether the charge is***
28 ***reasonable. The provisions of this section shall not apply to policies that do not include***
29 ***coverage for ambulance services.***

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1 *II.* Nothing in this section shall preclude an insurer from negotiating with and subsequently
2 entering into a contract with a non-participating ambulance provider that establishes rates of
3 reimbursement for emergency medical services.

4 3 Effective Date. This act shall take effect 60 days after its passage.

**HB 185-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to reimbursement rates for ambulance service providers.

FISCAL IMPACT: This bill does not provide funding, nor does it authorize new positions.

Estimated State Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
Revenue	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
<i>Revenue Fund(s)</i>	General Fund			
Expenditures*	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
<i>Funding Source(s)</i>	Various Agency Funds			
Appropriations*	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

*Expenditure = Cost of bill

*Appropriation = Authorized funding to cover cost of bill

Estimated Political Subdivision Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
County Revenue	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
County Expenditures	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Local Revenue	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Local Expenditures	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase

METHODOLOGY:

The Insurance Department states this bill seeks to amend the individual and group insurance laws to require insurers to reimburse ambulance service providers at negotiated rates. In the absence of negotiated rates the bill would require insurers to pay ambulance providers the billed amount. This requirement would apply to unscheduled emergency calls and emergency inter-facility transfers. The Department estimates, that under this bill, total claims costs for emergency ground ambulance services would increase by at least \$11.8 million (\$4.55 per member, per month) if the local rate is set at billed rates for 2022. For non-emergency transports, the aggregate billed amount for premium year 2022 totaled \$3.35 million, excluding mileage charges. The Department assumes the costs associated with non-emergency services

would also increase but the impact would be less since these services are billed at a lower frequency than emergency services.

The bill also states rates are subject to review by the Department in the event of a dispute regarding whether the charge is reasonable. The Department assumes the bill would require the Department to set a rate when the carrier determines the billed amount is unreasonable. If the billed rate is not a negotiated rate, the Department assumes the carrier would always determine the billed rate is unreasonable. It is unclear how the Department would review the rate, whether the Department has authority to set a rate, or whether the Department is intended to serve as a dispute resolution entity. The Department assumes that a dispute resolution mechanism is intended.

To estimate the potential increase in claims cost, the Department performed an assessment of claims from plan year 2022 (PY2022), using the New Hampshire All-payer Claims Database (NH CHIS). The potential increase in cost was identified as the difference between the current billed amount, and the payer-negotiated amount for two candidate emergency ground ambulance service base rates (CPT codes: A0427 ALS-emergency; A0429 BLS-Emergency). To estimate the mileage charges for each of the base rate services, reference values from the 2018 NHID Ground Ambulance Report were used - which uses 2017 medical claims data. The mean mileage charge per event was \$327.18 (11.4 miles at a rate of \$28.70/mile); this value was added to the difference in median billed vs. allowed base rates to derive a total cost increase per emergency ground ambulance encounter. The projected cost increase was then multiplied by the frequency of each service billed to derive a total, aggregated value in the table below.

Projected Total Cost increases of two commonly-billed emergency ambulance services						
Procedure	Frequency PY2022	Median Billed Amount	Median Allowed Amount	Difference	Average Mileage Charge	Total Cost Increase
A0427-ALS Emergency	6,976	\$1,500.00	\$547.50	\$952.50	\$327.18	\$8,927,047.68
A0429-BLS-emergency	3,194	\$1,032.00	\$455.33	\$576.67	\$327.18	\$2,886,896.90
					Total:	\$11,813,944.58
Source: NH Comprehensive Healthcare Information System (NH CHIS), PY2022						
Data is representative of commercial fully-insured and self-insured opt-ins, managed care organizations, and Medicare supplemental plans. The total above only accounts for two of the most frequently used billing codes and does not include the increases to other ground ambulance billing codes.						

The bill does not include funding or positions for the Department to develop or administer a dispute resolution program for ground ambulance claims. Given the large differential between the amounts billed and the amounts paid, the Department assumes that it would receive

thousands of requests for dispute resolution. The Department's current dispute resolution for commercially reasonable rates resembles a hearing process that can be very time consuming and resource intensive. The Department anticipates it would need an additional administrative law judge, SOC23-10, to handle the influx of dispute resolution requests. Assuming a start date of September 1, 2025, the estimated cost for this position, including benefits is \$118,000 in FY 2026, \$146,000 in FY 2027 and \$152,000 in FY 2028.

The increase in claims costs and legal fees associated with a dispute resolution process will cause an increase in premiums. Increased health insurance premiums could impact local and county expenditures to the extent that they purchase health insurance for their employees. Increases in health insurance premiums will increase state general fund insurance premium tax revenue. The extent of these impacts is indeterminable at this time.

County and local ambulance revenues could go up, but they could also incur increased legal fees if they are forced to engage in dispute resolution if the billed rates are not agreed to be commercially reasonable. These amounts are also indeterminable at this time.

It is assumed that any fiscal impact would occur after FY 2025.

AGENCIES CONTACTED:

Insurance Department