FLORIDA HOUSE OF REPRESENTATIVES
BILL ANALYSIS

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BILL #: HB 425 **TITLE:** Coverage for Out-of-network Ground Ambulance Emergency Services **SPONSOR(S):** Yeager	**COMPANION BILL:** None **LINKED BILLS:** None **RELATED BILLS:** SB 704 (Bradley)

Committee References

Health Care Facilities & Systems 16 Y, 0 N ➤ Commerce ➤ Health & Human Services

SUMMARY

Effect of the Bill:

The bill addresses the gap left by the two laws through establishment of a set of options for payment of out-of-network claims by group health plans and individual health plan policies to be the lesser of:

- The rate set or approved, whether it is established in a contract or local government ordinance, in the jurisdiction in which the covered services occurred.
- 350 percent of the current published rate by federal CMS for ambulance services under Title XVIII of the Social Security Act for the same geographic area; or the ambulance's billed charges, whichever is less.
- The contracted rate at which the health care provider would reimburse an in-network ambulance provider for providing the covered service.

The bill also establishes that payment from the insurer is considered payment in full. Cost sharing from the patient may not exceed the in-network amounts that would have been charged for the same service.

The bill has an effective date of July 1, 2024.

Fiscal or Economic Impact:

The bill has an indeterminate, negative fiscal impact on the state employee group health plan, and an indeterminate positive impact on private and local government ground ambulance providers.

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ANALYSIS

EFFECT OF THE BILL:

Ground Ambulance Reimbursement

Currently, Florida law does not determine how commercial insurers must reimburse claims for out-of-network ground ambulance services. Coverage issues, provider contracts, and provider reimbursement are usually left up to the two parties involved in contracting for health care services; the employer, for example, or the insurer. Health insurers and health maintenance organizations (HMOs) may contract with a limited number or providers to serve enrollees. A ground ambulance provider without a contract with a particular insurer or HMO, that is, an out-of-network provider, could bill the patient for any unpaid balance not satisfied by the insurer or HMO.

The bill requires health insurers and HMOs to reimburse out-of-network ground ambulance providers, for covered services, using a specific formula. Under the bill, the reimbursement rate would be the *lesser of* the following:

- The rate set or approved by a local government in the jurisdiction in which the covered services occurred; or

- 325 percent of the rate established by the federal Centers for Medicare and Medicaid Services (CMS) for ground ambulance services under the federal Medicare program for the same geographic area; or
- The ambulance provider's billed charges. (Sections 1, 2, 3)

Under the bill, payment made under this formula would be considered payment in full for the services rendered, except for any copayment, coinsurance, deductible, or other cost sharing responsibilities of the insured. This effectively prohibits the ground ambulance service provider from balance billing the patient for any difference between the provider's charges and the statutory fee.

In addition, the bill regulates the amount of cost-sharing the insurer or HMO may require of the insured person. It limits any copayment, coinsurance, deductible or other cost-sharing responsibility for a non-participating provider to the amount an insured would have to contribute for a preferred provider or a provider that is not an exclusive provider.

Current law requires insurers to pay provider claims for reimbursement within a certain number of days, in addition to other processing timelines.[1] The bill makes claims payments to ground ambulance service providers subject to this prompt payment law.

The provisions of the bill apply to health insurers and HMOs that offer individual or group policies providing major medical coverage that includes coverage for ground ambulance services.

The bill provides an effective date of July 1, 2026. (Section 4)

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The bill has an indeterminate negative impact on the state employee group health plan, if current payments by the contracted preferred provider organization and HMOs for out-of-network emergency ground ambulance services (if any) are lower than the payment rates resulting from the statutory formula.

LOCAL GOVERNMENT:

The bill has an indeterminate positive impact on local governments which provide emergency ground ambulance services, if their current reimbursement revenue from commercial health plans and HMOs is lower than the payment rates resulting from the statutory formula.

PRIVATE SECTOR:

The bill has an indeterminate positive impact on private entities, such as hospitals, which provide emergency ground ambulance services, if their current reimbursement revenue from commercial health plans and HMOs is lower than the payment rates resulting from the statutory formula.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

[1] S. 627.6131, F.S. Electronic claims must be paid or denied in 30 days; non-electronic claims must be paid or denied in 40 days. Failure to pay or deny a claim within 120 days obligates the insurer or HMO to pay the claim.

Ground Ambulance Services

Emergency medical responders include paramedics and emergency medical technicians. These practitioners, and ground and air emergency transportation providers, are regulated by the Department of Health under ch. 401, F.S. About 51 percent of all ground ambulance calls require Advanced Life Support (ALS)[2] services compared to Basic Life Support (BLS)[3] services [4].

Emergency ground ambulance services are provided by a variety of entities: approximately 62 percent of emergency ground ambulance rides are provided by local fire departments (37 percent) and other government agencies; 30 percent by private companies; and 8 percent by hospitals.[5]

Emergency Ground Transportation Fees

Emergency ambulance fees usually include two components: a base fee and a mileage fee. According to a 2021 analysis, the average charge for ALS emergency ground ambulance services increased from $1,042 in 2017 to $1,277 in 2020 which represents a 22.6 percent increase. In Medicare, the average increase for these same services was $441 to $463, a five percent increase.[6] The average charge for BLS emergency ground ambulance services increased 17.5 percent from $800 in 2017 to $940 in 2020. The average Medicare amount for these services increased 4.8 percent from $372 to $390.[7]

The second component of the billing rate, mileage fees can vary greatly as well from $20 per mile to $90 per mile.[8] And, depending on where a patient lives in relation to the closest emergency facility, the cost per mile can quickly add up. In urban Florida, the hospital ride may be less than 10 miles, but in more rural areas of Florida, it could be 50 or more miles to the closest or most appropriate hospital for the patient. In 2019, Florida has one of the lowest averages for mileage for ground ambulance emergency transportation at 7.2 miles compared to the highest state of Wyoming at 29.2 miles.[9]

One study found that 71 percent of all ambulance rides had the potential to incur surprise medical bills.[10] While this study occurred in 2020, prior to the implementation of the federal legislation addressing most types of balance billing, it speaks to the percentage of ambulance rides that end up as balance billing cases, whether ground or air, and the costs involved for such transportation. The study found the median range in 2020 for surprise ground emergency transportation bill to be $450.[11] In balance billing for emergency ground transportation, which was not included in either the state or national balance billing laws, the Florida ambulance providers are reimbursed, on average, for 56 percent of their billed charges.

Regulation of Insurers and Health Maintenance Organizations

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[2] Advanced Life Support Services (ALS) includes basic life support but must have a paramedic on board. The technicians on an ALS ambulance have a higher level of training. Typically, to treat a patient during an ALS ambulance service, an invasive procedure is done, for example, with needles or other devices that make cuts in the skin. An ALS provider can give injections, do very limited surgical procedures (e.g., a tracheotomy) and administer medicine. ALS ambulances are typically outfitted with airway equipment, cardiac life support, cardiac monitors and glucose testing devices.

[3] Also called "first step treatment," these services can be provided by either a paramedic or an emergency medical technician (EMT). They typically include fractures or injuries, psychiatric patients or medical and surgical patients who do not need cardiac monitoring or respiratory interventions.

[4] Ground Ambulance Services in the United States (2022), FAIR HEALTH, available at: Ground Ambulance Services in the United States - A FAIR Health White Paper.pdf (last visited March 22, 2025).

[5] *Ground ambulance rides and potential for surprise billing* - Peterson-KFF Health System Tracker (June 24, 2021), available at Ground ambulance rides and potential for surprise billing - Peterson-KFF Health System Tracker (last visited March 22, 2025).

[6] Id.

[7] Id.

[8] PBS News Hour, *The No Surprises Act left out ground ambulances. Here is what is happening now, (August 17, 2023), available at* The No Surprises Act left out ground ambulances. Here's what's happening now | PBS NewsHour (last visited January 29, 2024).

[9] *Supra, note 6.*

[10] Karan R. Chhabra, Keegan McGuire, et al., "Most Patients Undergoing Ground and Air Ambulance Transportation Receive Sizeable Out-Of-Network Bills, HEALTH AFFAIRS (April 15, 2020), available at :Most Patients Undergoing Ground And Air Ambulance Transportation Receive Sizable Out-Of-Network Bills | Health Affairs

[11] Id.

The Office of Insurance Regulation (OIR) licenses and regulates the activities of insurers, health maintenance organizations (HMOs), and other risk bearing entities in Florida.[12] The Agency for Health Care Administration (AHCA) regulates the quality of care by HMOs under part III of ch. 641, F.S. Before receiving a certificate of authority from the OIR, an HMO must receive a Health Care Provider Certificate from AHCA.[13]

All persons who transact insurance in this state must comply with the Code.[14] The OIR has the authority to collect, propose, publish, and disseminate any information relating to the subject matter of the Code,[15] and may investigate any matter relating to insurance.[16]

Statewide Provider and Health Plan Claim Dispute Resolution Program

When there is a billing dispute between a provider and an insurer, the provider or insurer may submit the dispute to the voluntary[17] Statewide Provider and Health Plan Claim Dispute Resolution Program established by s. 408.7057, F.S., to assist in reaching a resolution without litigation. The Agency for Health Care Administration (AHCA) contracts with Capitol Bridge, a private vendor, to review and consider claim disputes. The contractor then submits recommendations to AHCA, which may issue an agency final order resolving the dispute.

The most recent annual report submitted by the agency[18] indicates that in 2023, health care providers submitted 296 claims disputes to the resolution organization. Of those, the resolution organization accepted 137 claims disputes as being eligible for review under the statutory and rule criteria. Of those 137 disputes:

- 22 cases were dismissed by AHCA;
- 14 cases did not reach resolution because the health plan opted out of using the program;
- 101 cases resulted in agency final orders awarding payments to the provider.

Balance Billing

Balance billing occurs when an insured patient accesses out-of-network services at an emergency facility or while receiving non-emergency services at in-network hospital or facility for covered services.[19] In this instance, a provider may bill a patient for the difference between the amount the provider charged the insurer and the amount that the insurer actually paid. This does not include cost-sharing requirements such as copayments that are typically paid by a patient. As a result, a consumer may incur an average balance billing or out of pocket cost of $450.[20] In some states, the average is more than $1,000. [21]

Neither federal laws nor Florida laws address balance related to non-participating or out-of-network emergency ground ambulance service providers.

Florida No Surprises Act

Current law prohibits non-participating emergency services providers from balance billing patients for their services, expressly providing that the insured person's only obligation for such services is any cost-sharing

[12] S. 20.121(3)(a), F.S.
[13] S. 641.21(1)(1), F.S.
[14] S. 624.11, F.S.
[15] S. 624.307(4), F.S.
[16] S. 624.307(3), F.S.
[17] The program is not voluntary for health plans contracted to provide services in the Statewide Medicaid Managed Care program established.
[18] Agency for Health Care Administration Statewide Provider and Health Plan Claim Dispute Resolution Program 2023 Annual Report, February 2024, available at https://ahca.myflorida.com/content/download/23962/file/AnnualReportFeb-2023.pdf (last visited March 22, 2025). S. 408.7057, F.S., requires AHCA to produce an annual report due on February 1 of each year; AHCA has not published its 2024 report.
[19] *Supra,* note *1.*
[20] *Role of States in Exclusion of Ground Ambulances from NSA*, Medicalbillersandcoders.com, available at: https://www.medicalbillersandcoders.com/blog/role-of-states-in-exclusion-of-ground-ambulances-from-nsa/ (July 22, 2022) (last visited March 22, 2025).
[21] *EMERGENCY: The high cost of ambulance surprise bills,* Public Interest Research Group (Oct. 26, 2023), available at https://pirg.org/resources/emergency-the-high-cost-of-ambulance-surprise-bills/ (last visited March 22, 2025).

responsibility delineated in the policy. The law expressly makes the insurer or HMO the only entity liable for paying for such services.[22]

The statute also regulates the reimbursement payment amounts the insurer or HMO must pay for the non-participating provider's services, requiring the insurer or HMO to pay the provider the lesser of:

- The provider's charges;
- The usual and customary provider charges for similar services in the community where the services were provided; or
- The charge mutually agreed to by the health maintenance organization and the provider within 60 days of the submittal of the claim.

This law only applies to emergency services provided in a facility; that is, a hospital or an urgent care center. It does not apply to emergency transportation.

Federal No Surprises Act

The federal No Surprises Act of 2022[23] (Act) eliminated the practice of health care practitioners balance billing for most provider types, beginning in 2022, with the exception of ground ambulance services. Because of the complications involved with how ground ambulance services, emergency and non-emergency, are currently delivered with most delivered by municipalities and other local governments and concerned about how national actions may impact those existing relationships and contracts, Congress deferred action and created an advisory committee.

The Act established the advisory committee to continue discussions on how to address surprise billings and balance billings with ground ambulance and emergency ground ambulance services.[24] The Charter for the Advisory Committee on Ground Ambulance and Patient Billing (GAPB) was signed by the Health and Human Services Secretary on November 16, 2021. The Committee held three public meetings between May 2, and November 1, 2023.[25]

Recommendations by the Committee were released following the November 2023 meeting, including the renewal of the Committee's Charter. The Committee's 15 recommendations ranged from inclusion of standard definitions relating to ground ambulance services to reimbursement policies and fell into the following general categories:

- Adopt standard definitions relating to ground emergency services.
- Protect patients from patient billing.
- Limit copays for ground ambulance rides.
- Make ambulance bills more transparent and easier for patients to understand.
- Guarantee payment to the ambulance crews.
- Avoid the independent dispute resolution process.
- Recommend the incorporation of Ground Ambulance Emergency Medical Services in the definition of emergency services under the essential health benefits requirements.[26]

[22] S. 627.64191, F.S., s. 641.513, F.S.
[23] 42 U.S.C. 1395dd; Section 1867 of the Social Security Act.
[24] U.S. Centers for Medicare and Medicaid Services, Advisory Committee on Ground Ambulance and Patient Billing Advisory Committee, Title I (No Surprises Act) and Title II (Transparency) of Division BB of the Consolidated Appropriations Act, 2021 (CAA), Advisory Committee on Ground Ambulance and Patient Billing (GAPB) | CMS (last visited March 22, 2025).
[25] Id.
[26] Id.

The Committee's recommendations were forwarded to Congress.[27] The Secretary of HHS has acted on one of the recommendations and renewed the Committee's charter on November 16, 2023.[28] The Committee issued a final report in 2024 reflecting similar recommendations as the 2023 report.[29] The Committee is currently inactive.

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Health Care Facilities & Systems Subcommittee	16 Y, 0 N	3/27/2025	Calamas	Calamas
Commerce Committee				
Health & Human Services Committee				

[27] Laura Santhanam, PBS News Hour, *New recommendations outline how Congress could lower ground ambulance costs,* available at: https://www.pbs.org/newshour/health/new-recommendations-outline-how-congress-could-lower-ground-ambulance-costs (last visited January 30, 2024).
[28] U.S. Centers for Medicare and Medicaid Services, Advisory Committee on Ground Ambulance and Patient Billing Advisory Committee, *Charter Renewal (November 16, 2023),* available at: https://www.cms.gov/files/document/gapb-charter-renewal-november-16-2023.pdf (last visited January 31, 2024).
[29] U.S. Centers for Medicare and Medicaid Services, Advisory Committee on Ground Ambulance and Patient Billing Advisory Committee, Report on Prevention of Out-Of-Network Ground Ambulance Emergency Service Balance Billing, March 29, 2024, available at report-advisory-committee-ground-ambulance-and-patient-billing.pdf (last visited March 22, 2025).