



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1013

PRINTERS NO. 4069

PRIME SPONSOR: Barrar

COST / (SAVINGS)

FUND	FY 2018/19	FY 2019/20
General Fund	See Fiscal Impact	

SUMMARY:

House Bill 1013 amends the Insurance Company Law of 1921 concerning emergency services and quality eye care for insured Pennsylvanians. It would take effect in 60 days.

ANALYSIS:

This legislation would require managed care plans, as defined in Section 2101 of the Insurance Company Law of 1921, to pay all reasonably necessary costs associated with the provision of emergency services when an emergency medical services agency is dispatched by a 911 call center to provide medically necessary emergency care, including advanced life support services, to an individual covered by such plans, even if the covered individual does not require transport or refuses to be transported. The payments would be subject to all copayments, coinsurances or deductibles.

The previous provisions would apply to emergency services provided to medical assistance participants under the Human Services Code. Payment for these services must be in accordance with the current managed care contracted rates, and sufficient funds must be appropriated each fiscal year for payment of these services.

These provisions will apply to all group and individual major medical health insurance policies issued by a licensed health insurer

House Bill 1013 also requires health insurance policies in the Commonwealth to allow an insured who receives vision care from an in-network provider to select an out-of-network supplier for related care on the recommendation or referral of the network provider, as long as the network provider gives the insured, prior to recommending, referring, prescribing or ordering any care from the out-of-network supplier, a written disclosure explaining that the supplier is not in the network, and that the insured has the option of selecting a network supplier. The legislation also requires health insurance policies that allow a vision care provider to opt out of the obligation to provide discounts for non-covered services if the provider provides written disclosure that the provider does not participate in the insured's discount program.

Upon satisfactory evidence of a violation of these requirements by any insurer or other person within the scope of the Insurance Department's investigative and enforcement authority, the Insurance Commissioner may, at his or her discretion, pursue any of several enforcement actions. The Commissioner may suspend, revoke or refuse to renew the license of the offending person; enter a cease and desist order; impose a civil penalty of not more than \$5,000 for each action in violation of this article; or impose a civil penalty of not more than \$10,000 for each action in willful violation of this article. In addition, actions of optometrists and ophthalmologists in violation of these requirements will constitute unprofessional conduct.

FISCAL IMPACT:

For the provisions related to emergency medical transportation services, House Bill 1013 is estimated to cost the Department of Human Services \$2.46 million in state funds annually.

Actual claims data for ambulance transportation paid by Medicaid in Fiscal Year 2016-17, excluding hospital to hospital transports, was used as the basis to calculate the bill's impact. According to industry experts, the refusal rate for ambulance transport, excluding automobile accidents, which are not addressed by this bill, is 5%. Applying the 5% refusal to the claims, the increase would result in an additional \$2.46 million cost to the Department of Human Services.

Medicaid will not participate in the reimbursement of these costs. Per the Centers for Medicare and Medicaid Services (CMS), Medicaid does not pay for unloaded miles per trip, which is considered a long standing policy. CMS has always considered the unloaded miles as part of the cost of doing business. Therefore, the \$2.46 million will be state funds only.

For the provisions related to quality eye care for insured Pennsylvanians, enactment of this legislation will have no adverse impact on Commonwealth funds.

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House Appropriations Committee (R)

DATE: October 17, 2018

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.