

**SENATE APPROPRIATIONS COMMITTEE
FISCAL NOTE**

BILL NO. Senate Bill 1003

PRINTER NO. 1783

AMOUNT

\$2.46 million

FUND

General Fund

DATE INTRODUCED

December 12, 2017

PRIME SPONSOR

Senator White

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 1003 amends the Insurance Company Law of 1921 providing for reimbursement for emergency services.

SB 1003 amends section 2116 (relating to emergency services) to require managed care plans to pay all reasonably necessary costs associated with emergency services provided by an emergency health care provider or an emergency medical services agency during the period of emergency subject to all copayments, coinsurances or deductibles.

The bill requires the managed care plan to pay for services rendered by licensed emergency medical services agencies that have the ability to transport patients or are providing and billing for services under an agreement with an agency that has that ability. In addition it prohibits the managed care plan from denying a claim for payment of costs solely because the managed care plan enrollee is not transported or refuses to be transported by the emergency medical services agency.

The bill stipulates that the provisions relating to an emergency medical services agency shall apply to services provided to recipients of medical assistance, as well as all group and individual major medical health insurance policies. The bill requires sufficient funds be appropriated each fiscal year for the payment of the services provided to recipients of medical assistance.

The bill requires that Medicaid payments be paid in accordance with the current fee schedule or current managed care contracted rate.

The bill specifies that for health insurance policies for which rates or forms are required to be filed with the Federal Government or the Insurance Department, the amendment to section 2116 shall apply to a policy for which a form or rate is first filed on or after the effective date. For health insurance policies that do not require rates or forms to be filed with the Federal Government or the Insurance Department, the amendment shall apply to a policy issued or renewed on or after 180 days after the effective date.

This act shall take effect in 60 days.

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FISCAL IMPACT:

Senate Bill 1003 is estimated to cost the Department of Human Services \$2.46 million in state funds for Fiscal Year 2018-19.

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.

Medicaid will not participate in the reimbursement of these cost. Per the Centers for Medicare and Medicaid Services, 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.