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House of Representatives COMMONWEALTH OF PENNSYLVANIA HARRISBURG

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MEMORANDUM

DATE:

January 10, 2011

FROM:

Rep. Gordon R. Denlinger

TO:

All House Members

SUBJECT:

Reintroduction of Legislation

(Prior HB 899 - Insurance Reimbursement for Ambulance Services)

In the very near future, I will be re-introducing legislation that amends the Insurance Company Law of 1921 by requiring insurance carriers to directly reimburse licensed ambulance service providers.

My legislation seeks to provide relief to those ambulance service providers who, for many years now, provide valiant service time and time again, with no guarantee of payment.

In cases where an ambulance is called, and the ambulance service provider does not have a contractual relationship with the patient's health insurer, reimbursement for the service provided goes directly to the patient. The provider of service is then forced to bill the patient directly. Not only is the provider of service delayed in receiving payment through such a system, creating an enormous cash flow problem, at times the provider is forced to seek the assistance of collection bureaus in order to receive any payment at all.

Certainly, this type of situation is common among typical businesses, and is often considered in the cost of doing business. However, an ambulance service provider does not represent a typical business because it does not have a choice when responding to emergency calls - they are also legally obligated to do so under Act 78 of 1990.

I understand that this represents a dramatic shift in the way insurers operate today; however, it is time to address this critical issue and restore the cash flow necessary to continue to provide this invaluable service.

Please join me in putting an end to this situation and provide the relief necessary so that ambulance service providers can continue to do what they do best – save lives.

If you would like to be a co-sponsor of this legislation, please contact Jesica Murphy at <u>Jlmurphy@pahousegop.com</u>.

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