

# HOUSE BILL 83

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HB 1524/10 – HGO

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By: ~~Delegate K. Kelly~~ Delegates K. Kelly, Bromwell, Costa, Cullison, Elliott, Frank, Hammen, Hubbard, Kach, A. Kelly, Krebs, McDonough, Morhaim, Murphy, Nathan-Pulliam, Oaks, Pena-Melnyk, Pendergrass, Ready, Reznik, Tarrant, and V. Turner

Introduced and read first time: January 21, 2011  
Assigned to: Health and Government Operations

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: April 3, 2011

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Health Insurance – Ambulance Service Providers – Direct Reimbursement**

3 FOR the purpose of requiring health insurers, nonprofit health service plans, and  
4 health maintenance organizations to reimburse an ambulance service provider  
5 directly for certain covered services; ~~providing that an ambulance service~~  
6 ~~provider is entitled to direct reimbursement under certain circumstances; under~~  
7 certain circumstances; providing that an insured, a subscriber, or an enrollee of  
8 certain health insurance carriers may not be liable to certain ambulance service  
9 providers for certain services under certain circumstances; prohibiting certain  
10 ambulance service providers from taking certain actions against an insured, a  
11 subscriber, or an enrollee under certain circumstances; authorizing the  
12 ambulance service providers to collect certain payments from an insured, a  
13 subscriber, or an enrollee under certain circumstances; prohibiting a health  
14 maintenance organization's allowed amount for certain health care services  
15 provided by a certain ambulance service provider from being less than a certain  
16 amount, notwithstanding certain provisions of law; prohibiting an insurer's or  
17 nonprofit health service plan's allowed amount for a certain health care service  
18 provided by a certain ambulance service provider from being less than a certain  
19 amount; authorizing the Maryland Insurance Commissioner to adopt  
20 regulations to implement certain provisions of this Act; requiring the Maryland  
21 Health Care Commission to provide certain reports to certain legislative  
22 committees on or before certain dates; providing for a delayed effective date;

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 providing for the termination of this Act; providing for the application of this  
 2 Act; defining ~~a certain term~~ certain terms; and generally relating to  
 3 reimbursement by insurers, nonprofit health service plans, and health  
 4 maintenance organizations for transportation by ambulance.

5 BY adding to  
 6 Article – Health – General  
 7 Section 19–706(kkkk)  
 8 Annotated Code of Maryland  
 9 (2009 Replacement Volume and 2010 Supplement)

10 BY adding to  
 11 Article – Insurance  
 12 Section ~~15–716~~ 15–138  
 13 Annotated Code of Maryland  
 14 (2006 Replacement Volume and 2010 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
 16 MARYLAND, That the Laws of Maryland read as follows:

17 **Article – Health – General**

18 19–706.

19 **(K K K K) THE PROVISIONS OF ~~§ 15–716~~ § 15–138 OF THE INSURANCE**  
 20 **ARTICLE APPLY TO HEALTH MAINTENANCE ORGANIZATIONS.**

21 **Article – Insurance**

22 ~~15–716.~~

23 ~~(A) IN THIS SECTION, “AMBULANCE” MEANS ANY CONVEYANCE~~  
 24 ~~DESIGNED AND CONSTRUCTED OR MODIFIED AND EQUIPPED TO BE USED,~~  
 25 ~~MAINTAINED, OR OPERATED TO TRANSPORT INDIVIDUALS WHO ARE SICK,~~  
 26 ~~INJURED, WOUNDED, OR OTHERWISE INCAPACITATED.~~

27 ~~(B) THIS SECTION APPLIES TO EACH INDIVIDUAL OR GROUP HEALTH~~  
 28 ~~INSURANCE POLICY OR CONTRACT THAT IS ISSUED OR DELIVERED IN THE~~  
 29 ~~STATE BY AN INSURER, NONPROFIT HEALTH SERVICE PLAN, OR HEALTH~~  
 30 ~~MAINTENANCE ORGANIZATION.~~

31 ~~(C) AN INSURER, NONPROFIT HEALTH SERVICE PLAN, OR HEALTH~~  
 32 ~~MAINTENANCE ORGANIZATION SHALL REIMBURSE AN AMBULANCE SERVICE~~  
 33 ~~PROVIDER DIRECTLY FOR COVERED SERVICES PROVIDED TO THE INSURED OR~~  
 34 ~~ANY OTHER INDIVIDUAL COVERED BY THE POLICY OR CONTRACT.~~

~~(D) AN AMBULANCE SERVICE PROVIDER IS ENTITLED TO DIRECT REIMBURSEMENT UNDER THIS SECTION WHETHER OR NOT;~~

~~(1) THE AMBULANCE THAT PROVIDED THE SERVICE IS OWNED, OPERATED, OR UNDER THE JURISDICTION OF A UNIT OF STATE GOVERNMENT, A POLITICAL SUBDIVISION OF THE STATE, OR A VOLUNTEER FIRE COMPANY OR VOLUNTEER RESCUE SQUAD;~~

~~(2) THE TRANSPORTATION BY AMBULANCE IS IN RESPONSE TO AN EMERGENCY MEDICAL CONDITION; OR~~

~~(3) THE AMBULANCE SERVICE PROVIDER IS AN IN-NETWORK OR OUT-OF-NETWORK PROVIDER.~~

15-138.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "AMBULANCE" MEANS ANY CONVEYANCE DESIGNED AND CONSTRUCTED OR MODIFIED AND EQUIPPED TO BE USED, MAINTAINED, OR OPERATED TO TRANSPORT INDIVIDUALS WHO ARE SICK, INJURED, WOUNDED, OR OTHERWISE INCAPACITATED.

(3) "AMBULANCE SERVICE PROVIDER" MEANS A PROVIDER OF AMBULANCE SERVICES THAT:

(I) IS OWNED, OPERATED, OR UNDER THE JURISDICTION OF A POLITICAL SUBDIVISION OF THE STATE OR A VOLUNTEER FIRE COMPANY OR VOLUNTEER RESCUE SQUAD; OR

(II) HAS CONTRACTED TO PROVIDE AMBULANCE SERVICES FOR A POLITICAL SUBDIVISION OF THE STATE.

(4) "ASSIGNMENT OF BENEFITS" MEANS THE TRANSFER BY AN INSURED, A SUBSCRIBER, OR AN ENROLLEE OF HEALTH CARE COVERAGE REIMBURSEMENT BENEFITS OR OTHER RIGHTS UNDER A HEALTH INSURANCE POLICY OR CONTRACT.

(5) "CARRIER" MEANS:

(I) AN INSURER THAT PROVIDES BENEFITS ON AN EXPENSE-INCURRED BASIS;

1                    (II) A NONPROFIT HEALTH SERVICE PLAN; OR

2                    (III) A HEALTH MAINTENANCE ORGANIZATION.

3                    (6) “NONPREFERRED PROVIDER” HAS THE MEANING STATED IN §  
4 14-201 OF THIS ARTICLE.

5                    (7) “PREFERRED PROVIDER” HAS THE MEANING STATED IN §  
6 14-201 OF THIS ARTICLE.

7                    (8) “PREFERRED PROVIDER INSURANCE POLICY” HAS THE  
8 MEANING STATED IN § 14-201 OF THIS ARTICLE.

9                    (B) THIS SECTION APPLIES TO INDIVIDUAL OR GROUP POLICIES OR  
10 CONTRACTS ISSUED OR DELIVERED IN THE STATE BY A CARRIER.

11                    (C) (1) EXCEPT FOR A HEALTH MAINTENANCE ORGANIZATION, A  
12 CARRIER SHALL REIMBURSE DIRECTLY AN AMBULANCE SERVICE PROVIDER  
13 THAT OBTAINS AN ASSIGNMENT OF BENEFITS FROM AN INSURED, A  
14 SUBSCRIBER, OR AN ENROLLEE FOR COVERED SERVICES PROVIDED TO THE  
15 INSURED, SUBSCRIBER, ENROLLEE, OR ANY OTHER INDIVIDUAL COVERED BY A  
16 POLICY OR CONTRACT ISSUED BY THE CARRIER.

17                    (2) A HEALTH MAINTENANCE ORGANIZATION SHALL REIMBURSE  
18 AN AMBULANCE SERVICE PROVIDER DIRECTLY FOR COVERED SERVICES  
19 PROVIDED TO A SUBSCRIBER, ENROLLEE, OR ANY OTHER INDIVIDUAL COVERED  
20 BY A POLICY OR CONTRACT ISSUED BY THE HEALTH MAINTENANCE  
21 ORGANIZATION.

22                    (D) (1) THIS SUBSECTION APPLIES TO AN AMBULANCE SERVICE  
23 PROVIDER THAT RECEIVES DIRECT REIMBURSEMENT UNDER SUBSECTION (C)  
24 OF THIS SECTION.

25                    (2) EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS  
26 SUBSECTION, AN INSURED, A SUBSCRIBER, OR AN ENROLLEE MAY NOT BE  
27 LIABLE TO AN AMBULANCE SERVICE PROVIDER FOR COVERED SERVICES.

28                    (3) AN AMBULANCE SERVICE PROVIDER OR A REPRESENTATIVE  
29 OF THE AMBULANCE SERVICE PROVIDER MAY NOT:

30                    (I) COLLECT OR ATTEMPT TO COLLECT FROM AN INSURED,  
31 A SUBSCRIBER, OR AN ENROLLEE OF A CARRIER ANY MONEY OWED TO THE  
32 AMBULANCE SERVICE PROVIDER BY THE CARRIER FOR COVERED SERVICES

1 RENDERED TO THE INSURED, SUBSCRIBER, OR ENROLLEE BY THE AMBULANCE  
2 SERVICE PROVIDER; OR

3 (II) MAINTAIN ANY ACTION AGAINST AN INSURED, A  
4 SUBSCRIBER, OR AN ENROLLEE OF A CARRIER TO COLLECT OR ATTEMPT TO  
5 COLLECT ANY MONEY OWED TO THE AMBULANCE SERVICE PROVIDER BY THE  
6 CARRIER FOR COVERED SERVICES RENDERED TO THE INSURED, SUBSCRIBER,  
7 OR ENROLLEE BY THE AMBULANCE SERVICE PROVIDER.

8 (4) AN AMBULANCE SERVICE PROVIDER OR A REPRESENTATIVE  
9 OF THE AMBULANCE SERVICE PROVIDER MAY COLLECT OR ATTEMPT TO  
10 COLLECT FROM AN INSURED, A SUBSCRIBER, OR AN ENROLLEE OF A CARRIER:

11 (I) ANY COPAYMENT, DEDUCTIBLE, OR COINSURANCE  
12 AMOUNT OWED BY THE INSURED, SUBSCRIBER, OR ENROLLEE FOR COVERED  
13 SERVICES RENDERED TO THE INSURED, SUBSCRIBER, OR ENROLLEE BY THE  
14 AMBULANCE SERVICE PROVIDER;

15 (II) IF MEDICARE IS THE PRIMARY INSURER AND THE  
16 CARRIER IS THE SECONDARY INSURER, ANY AMOUNT UP TO THE  
17 MEDICARE-APPROVED OR LIMITING AMOUNT, AS SPECIFIED UNDER THE  
18 FEDERAL SOCIAL SECURITY ACT, THAT IS NOT OWED TO THE AMBULANCE  
19 SERVICE PROVIDER BY MEDICARE OR THE CARRIER AFTER COORDINATION OF  
20 BENEFITS HAS BEEN COMPLETED, FOR MEDICARE COVERED SERVICES  
21 RENDERED TO THE INSURED, SUBSCRIBER, OR ENROLLEE BY THE AMBULANCE  
22 SERVICE PROVIDER; AND

23 (III) ANY PAYMENT OR CHARGE FOR SERVICES THAT ARE  
24 NOT COVERED SERVICES.

25 (E) (1) NOTWITHSTANDING § 19-710.1 OF THE HEALTH - GENERAL  
26 ARTICLE, A HEALTH MAINTENANCE ORGANIZATION'S ALLOWED AMOUNT FOR A  
27 COVERED HEALTH CARE SERVICE PROVIDED BY AN AMBULANCE SERVICE  
28 PROVIDER THAT IS NOT UNDER WRITTEN CONTRACT WITH THE HEALTH  
29 MAINTENANCE ORGANIZATION MAY NOT BE LESS THAN THE ALLOWED AMOUNT  
30 PAID TO AN AMBULANCE SERVICE PROVIDER THAT IS UNDER WRITTEN  
31 CONTRACT WITH THE HEALTH MAINTENANCE ORGANIZATION FOR THE SAME  
32 COVERED SERVICE IN THE SAME GEOGRAPHIC REGION, AS DEFINED BY THE  
33 CENTERS FOR MEDICARE AND MEDICAID SERVICES.

34 (2) AN INSURER'S OR NONPROFIT HEALTH SERVICE PLAN'S  
35 ALLOWED AMOUNT FOR A HEALTH CARE SERVICE COVERED UNDER A  
36 PREFERRED PROVIDER INSURANCE POLICY AND PROVIDED BY AN AMBULANCE  
37 SERVICE PROVIDER THAT IS A NONPREFERRED PROVIDER MAY NOT BE LESS

1 THAN THE ALLOWED AMOUNT PAID TO AN AMBULANCE SERVICE PROVIDER WHO  
2 IS A PREFERRED PROVIDER FOR THE SAME HEALTH CARE SERVICE IN THE SAME  
3 GEOGRAPHIC REGION, AS DEFINED BY THE CENTERS FOR MEDICARE AND  
4 MEDICAID SERVICES.

5 (F) THE COMMISSIONER MAY ADOPT REGULATIONS TO IMPLEMENT  
6 THIS SECTION.

7 SECTION 2. AND BE IT FURTHER ENACTED, That:

8 (a) The Maryland Health Care Commission shall report, in accordance with §  
9 2-1246 of the State Government Article, to the Senate Finance Committee and the  
10 House Health and Government Operations Committee on the changes occurring after  
11 the effective date of this Act, for services provided by ambulance service providers, in:

12 (1) the number of claims received;

13 (2) the number of claims paid; and

14 (3) the amount of claims paid.

15 (b) In its report, the Commission shall report separately on:

16 (1) the changes for services provided by in-network ambulance service  
17 providers; and

18 (2) the changes for services provided by out-of-network ambulance  
19 service providers.

20 (c) The Commission shall provide an interim report on or before January 1,  
21 2014, and a final report on or before January 1, 2015.

22 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall apply to  
23 all policies, contracts, and health benefit plans issued, delivered, or renewed in the  
24 State on or after ~~October 1, 2011~~ January 1, 2012.

25 SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take  
26 effect ~~October 1, 2011~~ January 1, 2012. It shall remain effective for a period of 3 years  
27 and 6 months and, at the end of June 30, 2015, with no further action required by the  
28 General Assembly, this Act shall be abrogated and of no further force and effect.