

S.1466-A (Breslin)/A.250 (Magnarelli)

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BILL S.1466-A (Breslin)/A.250 (Magnarelli)
SUBJECT Direct Pay for Ambulance Services
DATE May 25, 2023
OPPOSE

The Business Council opposes S.1466-A (Breslin)/A.250 (Magnarelli) which mandates health insurance plans to directly reimburse ambulance service providers whether they are in-network or out-of-network providers. This legislation will lead to higher prices for ambulatory services and negatively impact employers and consumers with increased health plan costs.

Employers select health plans based on the value to their employees, including

affordability, provider network quality, and accessibility. Health plans are focused on the quality of their networks and the ability for their providers to offer collaborative care while providing cost efficiencies and savings to their members. Consumers benefit from provider networks for the above-mentioned reasons, but also because they predetermine rates that allow for certainty in health care costs and payments. However, this bill threatens the strong network provider system by disincentivizing providers from participating in networks. This bill will allow providers to remain out-of-network while setting their own rates that will result in higher health care costs for consumers and businesses.

The bill requires that the payment rate be set as “usual and customary” and that it cannot be “excessive or unreasonable,” without defining who would set that rate. If the rate is set by an ambulance company’s usual and customary rate, rather than usual reimbursement protocols for out-of-network providers, that could result in uncontrolled, excessive charges.

While this bill may only apply to ambulatory service providers, it sets a dangerous precedent that could lead to out-of-control health care costs for small and medium-sized businesses that rely on the commercial market to provide health care to their employees. Consumers have the right to know what the cost is for the services they receive, and health plan networks provide this assurance through negotiated, predetermined rates. This proposal will only incentivize providers to leave networks to obtain higher reimbursement rates which will lead to skyrocketing out of pocket health care costs for employers and consumers.

For these reasons, The Business Council opposes the passage of S.1466-A (Breslin)/A.250 (Magnarelli).

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