

Banning Surprise Ambulance Bills

AB 2709 (Boerner Horvath)

AB 2709 (Boerner Horvath) would protect Californians covered by a state-regulated health plan from “surprise” bills for using a ground ambulance. Patients would only pay the normal cost-sharing for a covered service, even if that ambulance service was uncontracted and “out-of-network.”

PROBLEM: Too many Californians get a big bill after calling for an ambulance in the face of an emergency. This surprise bill is often beyond normal cost-sharing for an “out-of-network” provider and can reach hundreds or thousands of dollars. This can be financially destabilizing, especially for lower-income Californians who don’t often have significant savings. Ambulance services can be aggressive in their billing practices and in sending the bill to collections. As a result, some Californians, particularly in low-income and disproportionately black and brown communities, may not call 911 for legitimate fear of the bill that may result, putting themselves and their health at risk.

Patients have no control in choosing in-network or out-of-network ambulance services. Which ambulance shows up where is governed by the Emergency Medical Services Authority, not patient choice of a particular ambulance.

Recent state and federal laws have put in place patient protections on similar surprise bills from both out-of-network doctors, hospitals and emergency rooms, but ground ambulances are a conspicuous exception. In fact, **state law explicitly allows balance billing by ground ambulances.** The recent federal “No Surprises Act” legislation acknowledged this significant gap and commissioned a study to make recommendations on ground ambulance surprise billing, recognizing state activity.

SOLUTION: AB 2709 mirrors state laws like AB 72 (Bonta, Wood, et. al.) with a solution very similar to those for surprise bills by doctors and hospitals:

- Prohibition of sending any bill beyond the in-network cost-sharing amount to patients or to collections so that they are not used as leverage in any dispute between the insurer and the ambulance provider.
- The in-network cost-sharing amount paid shall count toward deductibles and out-of-pocket maximums.
- Ensuring the provider can be fairly reimbursed without it being inflationary, with the insurer reimbursing for ground ambulance services with the greater of the average contracted rate or 125 percent of the amount Medicare reimburses on a fee-for-service basis for the same or similar services in the general geographic region in which the services were rendered.

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- If either the ground ambulance provider or the insurer disputes the payment amount, the provider or the insurer may appeal through an independent dispute resolution process.

This approach takes the patient out of the middle by ensuring the patient pays no more than in-network cost sharing and setting a fair reimbursement for providers that does not inflate premiums.

AB 2709 (Boerner Horvath) fills in a big, glaring gap regarding ground ambulance bills in existing state and federal patient protection laws against surprise bills, while also using those laws as the basis for an equitable and proven solution. With AB 2709, Californians will be less hesitant to call for an ambulance for fear of the bill, and less likely to afterward get hit with charges that destabilize the family's finances.