

Protecting Consumers from Surprise Ambulance Bills

AB 716 (Boerner)

During a medical emergency, the last thing someone should be thinking about is if calling 911 will result in financial hardship, or if they will be surprised with an ambulance bill during recovery. Building on nearly a decade of work to protect Californians from surprise medical bills, AB 716 (Boerner) closes a key gap in existing protections that still allows consumers to receive surprise bills for ground ambulance services. AB 716 will prevent consumers from being charged an out-of-network surprise bill for emergency and non-emergency ground ambulance services and protects uninsured Californians from being charged inflated ambulance rates.

Large Surprise Ambulance Bills are Common & Disproportionately Harm Low-Income Communities & Communities of Color

Too many Californians receive big surprise bills when they call 911 in an emergency and are taken by ambulance to the hospital, or transferred from one hospital to another. A surprise bill happens when a person does the right thing by seeking in-network care but is unknowingly seen by an out-of-network provider for a service. In the case of ambulances, the consumer has no choice whether the ambulance that arrives is contracted with their health plan. As a result, the consumer ends up responsible for the charges from the out-of-network ambulance provider that their health plan or insurer won't pay. One study found that 73% of ambulance rides among Californians with large employer coverage included an out-of-network charge.ⁱ


Ambulances have the highest-out-network billing rate in the country, adding up to \$129 million spent by insured patients on ambulance bills every year nationally.ⁱⁱ

For ambulance rides, California patients often receive a surprise bill of over \$1,000 and even more than \$2,000 depending on the provider and insurer.ⁱⁱⁱ This can be financially destabilizing, especially for low- and moderate-income Californians who lack significant savings. A recent report also found that cost concerns and coverage uncertainty caused communities of color to disproportionately avoid accessing emergency services. Many uninsured survey participants avoided emergency services entirely because of the potential bill and even those with insurance coverage noted concerns about their costs for an ambulance ride, paramedic response, or even a surprise bill as an out-of-network charge.^{iv}

As a result, many Californians may not call 911 for legitimate fear of the ambulance bill, putting their health at risk.

73%

The percentage of ambulance rides that resulted in a surprise bill for Californians working for large employers





\$1,000+

The common price of a surprise ground ambulance bill in California

\$129 M

The amount spent by insured patients nationally on surprise ambulance bills every year





A Glaring Gap in Consumer Protections

While existing state and federal law prohibits ground ambulance surprise billing for patients with Medi-Cal and Medicare coverage, state law explicitly *allows* ambulance providers to surprise bill consumers with commercial coverage. Recent state and federal laws, including the “No Surprises Act” have banned similar surprise bills from out-of-network doctors, hospitals, emergency rooms, and air ambulances, but ground ambulances remain a glaring gap in these protections. Ten states have already enacted legislation to protect patients against out-of-network bills from ambulance providers.^v

How AB 716 Protects Consumers from the High Cost of Ambulance Bills

- **For consumers with state-regulated plans:** AB 716 prohibits ambulance providers from sending any bill beyond the in-network cost-sharing amount to patients or to collections. The in-network cost paid will count toward deductibles and out-of-pocket maximums for consumers.
- **For ambulance providers:** This bill ensures that they are reimbursed similar to how they are under existing local rate-setting processes, without the consumer being stuck with the surprise bill. The bill requires that when there is not a contract between the ambulance provider and the insurer or health plan, that the health plan or insurer pays the ambulance provider the locally-set rate for ambulance services.
- **For the uninsured:** To protect consumers without insurance from being billed the full locally-set rate for ambulance rides, AB 716 prohibits people without insurance from being charged a bill greater than the Medi-Cal or Medicare rate for the service, whichever is greater.
- **Collections protections:** For Californians both with and without insurance, the bill protects consumers who receive bills for ambulance services from having their credit adversely affected, wages garnished, or liens placed on their homes over the course of collections. Under this bill, out-of-network ambulance providers can only send to collections the amount allowed under this bill that the consumer has failed to pay, not the out-of-network amount. The bill protects consumers from being sent to collections, and having adverse credit reported for an unpaid bill or being sued within 12 months of the first billing.

By filling a gaping hole in state surprise medical billing law, AB 716 gives Californians the peace of mind to know that calling 911 in an emergency will not mean being hit with a surprise bill that could destabilize their finances, and that there are consumer protections in place to give them time to pay their bill.

With AB 716, Californians will have more financial security during and after a medical emergency and will be less hesitant to call 911 out of fear of a large bill and can focus on getting the immediate health care they need in an emergency.

For any questions or concerns about this bill, please contact Katie Van Deynze, Policy & Legislative Advocate: Kvandeynze@health-access.org.

i. [Ground Ambulance Rides and Potential for Surprise Billing \(Peterson-KFF Health System Tracker\)](#)
ii. [EMERGENCY: The High Cost of Ambulance Surprise Bills \(U.S. PIRG Education Fund\)](#)
iii. [California Assembly Bill 2709: Emergency Ground Medical Transportation \(California Health Benefits Review Program\)](#)
iv. [Transforming Emergency Response to Advance Health Equity \(California Pan-Ethnic Health Network\)](#)
v. [Protecting Consumers from Surprise Ambulance Bills \(The Commonwealth Fund\)](#)