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Governor

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Eric A. Cioppa
Superintendent

April 20, 2021

Senator Heather Sanborn, Chair
Representative Denise Tepler, Chair
Joint Standing Committee on Health Coverage, Insurance and Financial Services
100 State House Station
Augusta, ME 04333-0100

RE: L.D. 1258, An Act To Implement the Recommendations of the Stakeholder Group Convened by the Emergency Medical Services' Board Related to Reimbursement Rates for Ambulance Services by Health Insurance Carriers and To Improve Participation of Ambulance Service Providers in Carrier Networks

Dear Senator Sanborn, Representative Tepler, and Members of the Committee:

The Bureau of Insurance takes no position on L.D. 1258. The purpose of this letter is to provide you with information related to the bill.

As required by P.L. 2019, Chapter 668, the Bureau was part of the stakeholder group charged with reviewing issues related to reimbursement rates for ambulance services and submitting a report with its ambulance reimbursement rate recommendations to this Committee. The stakeholder group presented its recommendations on February 23, 2021. Those recommendations were different from those recommended in the stakeholder group's report. The original bill would require health insurance carriers to reimburse ambulance service providers for covered emergency services as follows: for in-network providers, at the greater of the provider's rate or 200% of the Medicare reimbursement rate for the service; and for out-of-network providers, at the greater of the provider's rate or 180% of the Medicare reimbursement rate for the service. The stakeholder group's report, however, which represented the consensus of the group, recommended the *lesser* of the provider's rate or the applicable percentage of the Medicare rate, rather than the *greater*. This is a significant difference. A draft amendment has been proposed to correct this technical error by aligning the bill with the stakeholder group's recommendation.

Additionally, the original bill would add a provision to the Insurance Code that would prohibit a provider from increasing its charge for ambulance services by more than 5% annually if its



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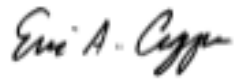
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charge is below 200% of the Medicare rate as of the effective date of the law. This provision is misplaced, as the Bureau does not have jurisdiction over providers. It is also unclear whether this prohibition on providers was intended to apply to both in-network and out-of-network providers.

I hope this information is useful to the Committee. Please let me know if I can provide any further assistance.

Sincerely,



Eric A. Cioppa
Superintendent