



New York State Volunteer Ambulance and Rescue Association, Inc.

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MEMORANDUM IN SUPPORT

S2527 - Seward / A0343 Magnarelli

An act to amend the insurance law, in relation to payments to prehospital emergency medical services providers.

Purpose of Bill:

To ensure that responding ambulance services companies receive direct payment for all ambulance service transports upon submission of an invoice to the insurance company without the need for the responding ambulance company to be a preferred provider.

Reasons for Support:

Ambulance services in New York State are mandated responders who must treat and transport patients regardless of the patients' insurance carrier or their ability to pay. When a patient uses an ambulance provider that is not a participating or preferred provider with their insurance company (i.e. out of network), their insurance company will send the patient the reimbursement check for the ambulance service. The patient is then supposed to pay the ambulance provider. In many cases, the patient simply cashes the check and the ambulance provider is not compensated for their services.

Current law permits insurance companies to pay for ambulance service charges direct to the patient and, unless the ambulance company becomes a preferred provider of that specific insurance company. It is not practical to expect a preferred provider relationship exist with every insurance company. Historically, insurance companies have used direct payment through their in-network contracts as leverage to force ambulance services to accept lower reimbursement rates. In the past, these rates have been discounted as much as 30% below the usual and customary charge for service. Therefore, the insurance companies have opposed this legislation in the past.

There are no bad debt or charity pools for EMS. Ambulance companies are continually providing their services without reimbursement which weakens the EMS system. We believe that fair and direct reimbursement for ambulance service is paramount to the financial stability and continued availability of ambulances to respond. This bill would streamline the process by which ambulance providers are paid by health insurers. Payments would go directly to ambulance service providers rather than going to the patient first.

The New York State Volunteer Ambulance and Rescue Association strongly supports this legislation and urges its prompt passage.