

# Public Health Committee JOINT FAVORABLE REPORT

**Bill No.:** SB-179  
AN ACT CONCERNING RATES FOR AMBULANCE AND PARAMEDIC  
**Title:** SERVICES.  
**Vote Date:** 3/4/2024  
**Vote Action:** Joint Favorable Substitute  
**PH Date:** 2/26/2024  
**File No.:** 17

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## **SPONSORS OF BILL:**

The Public Health Committee

## **REASONS FOR BILL:**

Currently in Connecticut, ambulance rates are highly regulated with maximum allowable rates for commercial insurance established by the Department of Public Health (DPH). This bill requires DPH to set a rate schedule, rather than use maximum allowable rates. In addition, the bill requires insurance companies, when required to cover these services, to provide coverage in line with the rate schedule set by DPH. The bill also sets an annual deadline of October 1, 2024, for DPH to issue the statewide Emergency Medical Services (EMS) rate schedule and a deadline of November 1, 2024, to issue the rates for ambulance or paramedic services.

## **RESPONSE FROM ADMINISTRATION/AGENCY:**

None expressed.

## **NATURE AND SOURCES OF SUPPORT:**

### **Gregory Allard, Association of CT Ambulance Providers and EMS Providers Statewide:**

On behalf of the Association, Mr. Allard expressed support for this legislation which would change the "maximum allowable" rate language to "standard rate" and would ensure that the cost information submitted by the providers to DPH for review would be fully considered and not unfairly reduced by insurers. Mr. Allard also shared that there are two forms of rate applications used by ambulance organizations. One is a short form and requires few details and generally states that the organization accepts the rates determined by DPH as appropriate. The other is a long form which requires greater detail from the organization

explaining their financial situation and why they cannot accept the rate DPH is offering. Currently, review of the long application process is often prolonged resulting in delayed potential increases well beyond the beginning of the next calendar year. Mr. Allard requested that this process be addressed earlier by DPH to ensure that the new rates could begin with the start of each new calendar year.

**Bruce Baxter, New Britain Emergency Medical Services, Inc. (EMS) and CT EMS Chiefs Association:**

Mr. Baxter provided testimony on behalf of the above organizations in support of this bill. This legislation would bring additional revenue for each service provided by requiring the health insurance companies who offer group benefits to recognize the need to reimburse 100% of the rate set by the DPH-OEMS for each service. The DPH-OEMS rate setting process was established 40 years ago to assure no Connecticut resident would be inappropriately charged for ambulance services. Unfortunately, the health insurance industry has no mechanism to automatically recognize the impact of inflation on these rates. The industry fails to recognize the long application process and instead chooses to think that the terminology of "maximum allowable rate" means the ability to pay less than the rates set by the state. As a result, our providers have reached a crisis point. This legislation will change "maximum allowable rate" to an "authorized or state approved rate schedule" removing any potential misinterpretation. It will also address increases related to inflation requiring insurance carriers to reimburse 100% of the state rates. Finally, it will reduce the administrative burden and costs associated with negotiating with a wide range of insurers.

**Connecticut Conference of Municipalities (CCM):**

CCM supports this legislation as a positive step to addressing the financial struggles facing our communities. EMS rates are rising, while staff is declining, and municipalities are running out of options to fill this need. Without additional financial assistance, towns and cities will have to raise taxes to offset the additional staff and service needs, or these services will be negatively impacted. CCM also urged support for restoring \$5 million in funding to provide for an increase in Medicaid reimbursement rates.

**Betsy Garra, Executive Director of CT Council of Small Towns (COST):**

Ms. Garra echoed the comments expressed above and stressed the need to address several issues that make it difficult to provide adequate EMS services in COST's communities. These include an increase in calls, skyrocketing equipment, increasing diesel fuel costs, very low Medicaid reimbursement rates, staffing shortages and limited options to move forward.

**Kim Aroh, Ambulance Service of Manchester, LLC**

**Lisa Thomas, Chairwoman, Coventry Town Council**

**John Filchak, Northeastern CT Council of Governments (NECCOG)**

**Benjamin Zura, Director of Innovation & Strategy, Emergency Resource Management and CT EMS Advisory Board**

**Dariangelee Gonzalez, student Ledyard High school**

All the above submitted similar testimony in support of this legislation.

## **NATURE AND SOURCES OF OPPOSITION:**

### **CT Association of Health Plans:**

The Association does not support this legislation. If enacted, it would create a new mandate and additional costs for the state under the federal Affordable Care Act (ACA) for health plans sold on the exchange Access Health CT. The fully insured market is comprised of individual and small group policy holders who are extremely sensitive to price increases. They cannot afford the costs associated with new mandates. Such policies work against the established objectives of benchmarking that were adopted on a bipartisan basis. This mandate should be viewed within the scope of the affordability standards that are a priority of the Office of Health Strategy (OHS) and its mission.

**Reported by: Kathleen Panazza**

**Date: March 5<sup>th</sup>, 2024**