



Florida Fire Chiefs' Association

Balance Billing Position Statement

The insurance industry is asking the Florida Legislature to prevent insured patients from being hit with high out-of-pocket costs for emergency medical transportation.

Ninety-seven percent of Florida's emergency medical transportation is facilitated by City or County ground ambulances and, the vast majority of those transports are by fire-based EMS agencies. In essence, insurance companies are asking the Legislature to shift the cost for service back to the provider and in this case, the actual cost would be borne by the taxpayers of local government.

In well over 3 million transports reported over a 2-year period, only 19 generated complaints. And, 11 of those 19 complaints were for aeromedical transport costs. Ground transport is not, and has never been, the problem it's being made out to be.

The Florida Health Insurance Advisory Board has recommended to ban what is known as "balance billing" for emergency medical transportation, despite concerns from several board members.

Background - In 2017 CFO Atwater established a working group to gather information, analyze data, and assess the impact of emergency medical transportation costs to Florida's insurance consumers. The working group's focus was to center on addressing the needs of Florida's insurance consumers by identifying solutions that may address issues and concerns faced by the ambulance service, insurance industry, and ultimately the insurance buying public. This effort was headed up by the Florida Office of Insurance Advocate, "Emergency Medical Transportation (EMT) Working Group". In short, the EMT Working Group was formed to examine how and why health insurance coverage gaps can leave consumers with surprise high medical bills for the service; as well as, what should or could be done about this in the future.

The Florida Fire Chiefs' Association (FFCA) is Florida's leading management educational organization for fire and emergency services professionals in the State representing 2,000 fire service leaders. Members of the FFCA have attended all EMT Working Group sessions and testified before the Group.

The FFCA's position on balanced billing are as follows:

- Emergency Medical Services are a safety net service. That is, they are a public safety service that must be provided regardless of anyone's ability to pay. And thus, they generally fall to the government to provide or ensure they are provided.
- In the State of Florida, the overwhelming majority of ambulance service providers are fire based governmental agencies.
- Governmental ambulance service providers are beholden to their taxpayers, through their elected officials, and they provide a level of service established at the local level. They fund that service at the local level. Most of these governmental agencies offset their tax burden by charging a fee for service.

- In many if not most communities, about 35% of the patients transported to the hospital are not residents who pay taxes in that community. Fees for service help relieve the taxpayer burden of funding EMS for non-residents.
- In the State of Florida, there is an accepted and agreed upon methodology for determining the cost of providing emergency medical services. This model is used by the Agency for Healthcare Administration in evaluating expenditures for Medicaid patients.
- This costing model takes into account all of the costs needed to fund an EMS service, including 911 and dispatch services, facilities, vehicles, equipment, expendables, administration, personnel, medical direction, insurance, and many others. As a safety net service, a portion of that cost is the readiness cost. That is, we must staff and fund the services in a readiness mode, ready to respond at any time - even if we don't run a call for that time period. We cannot schedule people's emergencies. Based on this costing model, the cost to provide EMS response and transport is somewhere between \$800 and \$1200 per call depending upon the level of services provided and the geographic region of the state.
- Most EMS agencies in Florida are charging somewhere between \$600 and \$900 for ALS transport. The current average reimbursement received for patients is about \$445. That includes both the insurance payment and the patient copay or deductible. The difference between the cost of service and the total amount reimbursed by both the insurance company and the patient then becomes the taxpayers' liability.
- The cost of ambulance service in Florida is significantly less expensive than many other states.
- There has been a move on the part of the Department of Finance Services to eliminate the "surprise" some people have when they get a balance bill from their ambulance provider. The problem is, the ambulance providers are being framed as the cause for this balance bill when it is actually the insurance companies who are not adequately covering the costs of care.
- Insurance companies are seeking to lower the amount they reimburse by increased deductibles and co-pays, transferring more and more of the costs for ambulance service to the consumer. For the ambulance industry, the amount that is collected from the patient is almost always very low.
- Now, insurance companies are pushing to set the rate that ambulance companies can be reimbursed for their services, shifting those costs to the taxpayers.
- Any reduction of our ability to be reimbursed for our services will result in a direct transfer of the cost of service to the taxpayers or a reduction in service by the EMS provider. **The question is: Should the taxpayers be subsidizing insurance companies who are reporting record profits.**
- There SHOULD NEVER be a question of whether someone can call 911 for emergency services. Patients with insurance pay healthcare premiums to ensure that they can seek service and afford that service. The Insurance Companies should be required to pay 100% of patients' ambulance bills, which is in almost every case, well below the actual cost to provide that service.
- **Bottom line, to protect the consumer, and the taxpayer, the insurance companies need to pay their fair share.**

If you should have any questions or need additional information, please feel free to contact the FFCA Government Relations Committee.

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