



Re: Payment for Unreimbursed Ambulance and Related Emergency Medical Services

The Summit County Fire and EMS Fire Protection District (“Fire District”) is aware that some patients have been confused regarding their obligation to pay for the costs the Fire District incurs in providing ambulance and related emergency medical services to its citizens and visitors to the extent the Fire District is not reimbursed by the patient’s insurance carrier, as applicable. During its 2019 Legislative Session, the Colorado General Assembly passed, and on May 14, 2019 Governor Polis signed into law, HB19-1174. This new law, which took effect on January 1, 2020, prohibits many of Colorado’s “out-of-network” service agencies from charging a patient for the costs the out-of-network service agency incurs in providing medical services that are not reimbursed by the patient’s insurance carrier.

As an example, a patient may have surgery at an “in-network” facility that has a contract with the patient’s insurance carrier. In this circumstance, the patient will typically only have to pay any co-pay or deductible. However, if one of the physicians assisting in the surgery, such as the anesthesiologist, does not have a contract with the patient’s insurance carrier (i.e., is “out-of-network”), the insurance carrier often will only pay a portion (or none) of the anesthesiologist’s charges, leaving an “unpaid balance”. The anesthesiologist will then bill the patient for the unpaid balance, this is known as “balance billing”. The new law prohibits the anesthesiologist from “balance billing” the patient for this unpaid balance, but still allows the patient to be billed for co-insurance/co-pay and deductible.

The foregoing analysis also applies to some out-of-network agencies that provide ambulance and related emergency medical services. However, the new law expressly **exempts** “**publicly funded fire agencies**”, such as the Fire District, that provide emergency ambulance services. Attached is a copy of Regulation 4-2-66, which was adopted by the Colorado Department of Regulatory Agencies. Regulation 4-2-66 establishes a payment methodology to be utilized by carriers to pay non-contracted service agencies that provide emergency ambulance services pursuant to HB19-1174.

Importantly, Regulation 4-2-66 expressly states that a “publicly-funded fire agency” is exempt from Regulation 4-2-66 and that the payment methodology set forth in the regulation does not apply to a publicly-funded fire agency:

“The purpose of this regulation is to establish a payment methodology to be utilized by carriers to pay non-contracted service agencies that provide emergency ambulance services pursuant to HB19-1174. ***This payment methodology does not apply to a publicly-funded fire agency.***”

“Publicly-funded fire agency’ means, for the purposes of this regulation, ***an ambulance service provider that has been established as part of a fire protection district***, health services district, municipality, special tax district, or other government entity.”

Accordingly, as a “publicly-funded fire agency”, the Fire District is exempt from HB19-1174 and Regulation 4-2-66. We hope this clears up any confusion you may have regarding the bill you received from the Fire District for the unreimbursed portion of the costs it incurred in providing you with ambulance and related emergency medical services. Please appeal with your insurance to have them cover this “balance billed” amount on your emergency ambulance claim as Summit Fire & EMS is not in-network with your insurance company and is a publicly funded fire agency.



DEPARTMENT OF REGULATORY AGENCIES

Division of Insurance

3 CCR 702-4

LIFE, ACCIDENT AND HEALTH

New Regulation 4-2-66

CONCERNING THE PAYMENT METHODOLOGY FOR NON-CONTRACTED SERVICE AGENCIES THAT PROVIDE EMERGENCY AMBULANCE SERVICES

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Section 1 Authority

This regulation is promulgated and adopted by the Commissioner of Insurance under the authority of §§ 10-1-109(1), 10-16-109, 10-16-704(5.5)(d)(II)(A), and 10-16-708, C.R.S.

Section 2 Scope and Purpose

The purpose of this regulation is to establish a payment methodology to be utilized by carriers to pay non-contracted service agencies that provide emergency ambulance services pursuant to HB 19-1174. This payment methodology does not apply to a publicly-funded fire agency.

Section 3 Applicability

This regulation applies to carriers offering individual, small group and large group health benefit plans that will receive claims incurred on or after January 1, 2020 from non-contracted services agencies which provide emergency ambulance services and who are subject to the requirements of § 10-16-704(5.5), C.R.S.

Section 4 Definitions

- A. "Ambulance service" shall have the same meaning as found at § 25-3.5-103(3), C.R.S.
- B. "Carrier" shall have the same meaning as found at § 10-16-102(8), C.R.S.
- C. "Covered person" shall have the same meaning as found at § 10-16-102(15), C.R.S.



- D. "Geographic area" means, for the purposes of this regulation, the geographic area established by the Division for out-of-network reimbursements pursuant to § 10-16-704(3)(d)(VI)(A), C.R.S., and contained in Appendix A of this regulation.
- E. "Medicare reimbursement rate" shall have the same meaning as found at § 10-16-704(3)(d)(VI)(B), C.R.S.
- F. "Non-contracted service agency" means, for the purposes of this regulation, a service agency that does not have a contract with a carrier to provide emergency ambulance services.
- G. "Publicly-funded fire agency" means, for the purposes of this regulation, an ambulance service provider that has been established as part of a fire protection district, health services district, municipality, special tax district, or other government entity.
- H. "Service agency" shall have the same meaning as found at § 25-3.5-103(11.5), C.R.S.

Section 5 Payment Methodology Rules

- A. Carriers shall reimburse a non-contracted service agency that provides emergency ambulance services to a covered person at three hundred twenty-five percent (325%) of the Medicare reimbursement rate for the same service provided in the same geographic area, including mileage.
- B. A non-contracted service agency that does not meet the definition of a publicly-funded fire agency, but does contract with a fire department, fire protection district, health services district, municipality, special tax district, or other government entity to provide emergency ambulance services on their behalf shall be reimbursed in accordance with the terms of that contract.
- C. A non-contracted service agency shall remain subject to Section 5.D. of this regulation if it contracts with a fire department, fire protection district, health services district, municipality, special tax district, or other government entity to provide emergency ambulance services and is prohibited from billing the covered person, except as permitted in Section 5.D. of this regulation.
- D. Covered persons shall only be responsible for the applicable in-network deductible, coinsurance, and/or copayment they would be required to pay for in-network emergency ambulance services.
- E. Payment made in compliance with Section 5.A. of this regulation shall be considered payment in full for the covered services provided, except for any in-network deductible, coinsurance and/or copayment amount required to be paid by the covered person.
- F. An ambulance service provider must demonstrate to a carrier that it meets the definition of a publicly-funded fire agency found at Section 4.G. of this regulation in order to be exempt from the requirements found in this regulation.