

From: DMHC Licensing eFiling

Subject: APL 24-010 – Coverage of Ground Ambulance Services Provided by a Noncontracted Provider

Date: Thursday, June 13, 2024, 10:48 AM

Attachments: APL 24-010 – Coverage of Ground Ambulance Services Provided by a Noncontracted Provider (6.13.2024).pdf

Dear Health Plan Representative:

The Department of Managed Health Care (DMHC) hereby issues this All Plan Letter (APL) 24-010 to provide additional guidance regarding Assembly Bill 716.

Thank you.

ALL PLAN LETTER

DATE: June 13, 2024

TO: All Commercial Full-Service Health Care Service Plans¹

FROM: Sarah Ream
Chief Counsel

SUBJECT: APL 24-010 – Coverage of ground ambulance services provided by a noncontracted provider

In October 2022, the Department of Managed Health Care (DMHC) issued APL 22-022 (available at [this link](#)), which stated ambulance providers may not balance bill enrollees for nonemergency ground ambulance transportation when the criteria specified by Assembly Bill 72 (Stats. 2016, Ch. 492) are met. Subsequently, California enacted Assembly Bill 716 (Stats. 2023, Ch. 454), which broadened the enrollee protections against balance billing for noncontracted ground ambulance services. **Accordingly, the DMHC is rescinding APL 22-022.** Health plans and providers must comply with AB 716 and this APL regarding ground ambulance transportation.

I. AB 716 prohibits balance billing by noncontracted ground ambulance providers.

Per AB 716, codified in part at Health and Safety Code section 1371.56, “an enrollee who receives covered services from a noncontracting ground ambulance provider” shall pay “no more than the same cost-sharing amount that the enrollee would pay for the same covered services received from a contracting ground ambulance provider.” The law prohibits ground ambulance providers from balance billing enrollees and prohibits such providers from attempting to collect from an enrollee amounts greater than the in-network cost-sharing amount owed by the enrollee.

Plans that have delegated responsibility for ground ambulance services shall ensure their delegates are aware of and comply with AB 716.

¹ This APL does not apply to Medi-Cal managed care products, Medicare Advantage products, or specialized health care service plan products.

II. Provider reimbursement under AB 716

A. Amount of reimbursement

Per AB 716, health plans must reimburse noncontracted ground ambulance providers at the rate established by the local jurisdiction in which the ambulance transport was initiated or, if the transportation was provided “on a mutual or automatic aid basis into another jurisdiction,” the rate established by the jurisdiction where the provider is based.² If the jurisdiction has not established a reimbursement rate, the plan must reimburse the provider at the “reasonable and customary” rate for the services as determined under California Code of Regulations, title 28, section 1300.71(a)(3)(B).

To assist health plans in determining the appropriate reimbursement rate for noncontracted ground ambulance services, AB 716 directs the California Emergency Medical Services Authority (EMSA) to publish on its website a report listing the “allowable maximum rates for ground ambulance transportation services for each county.”³ The DMHC understands that EMSA has not yet posted the report to its website. However, this does not relieve plans of their obligation to reimburse noncontracted ground ambulance providers at the appropriate rate. The DMHC encourages health plans to exercise due diligence to determine the appropriate rates. If despite due diligence, a health plan cannot determine the appropriate rate in a given instance, the plan should contact the DMHC for assistance.

B. Disclosures with reimbursement

AB 716 requires plans to inform the noncontracted provider and the enrollee of (1) the enrollee’s in-network cost-sharing amount and (2) whether the enrollee’s health plan product is regulated by the DMHC or is not subject to state regulation.⁴ Coverage that is not subject to state regulation includes coverage provided by a self-insured employer that is administered by a California-licensed health plan. If a plan has delegated this function, the plan must ensure its delegate makes the required disclosures.

C. Reimburse providers directly

The DMHC has received complaints from ground ambulance providers that some plans are sending enrollees the reimbursement amount for the noncontracted ground ambulance provider and then relying on the enrollees to forward the reimbursement to the providers. However, AB 716 requires health plans to “directly reimburse” noncontracted ground ambulance providers.⁵ Based on this requirement, plans must send payment directly to the noncontracted provider rather than to the enrollee.

If you have questions about this APL, please contact your plan’s assigned reviewer in the DMHC’s Office of Plan Licensing.

² Health and Safety Code section 1371.56(d)(1) and (d)(2).

³ Health and Safety Code section 1797.124.

⁴ Health and Safety Code section 1371.56(a)(2).

⁵ Health and Safety Code section 1371.51(d)(1).