

Chairman Ruby and Members of the House Human Services Committee –

Good Morning, my name is Dylan Wheeler – Head of Government Affairs for Sanford Health Plan; testifying today in opposition to HB1322. However, at the outset, we want to express our strong support for the last section of the bill, which prohibits balance billing for ambulance services – specifically ground ambulance providers. At the Federal level, the No Surprises Act largely now prohibits balance billing for non-contracted providers (air ambulance, for example); however, ground ambulance providers were not included in that Federal law. We sincerely appreciate state legislative efforts to fill that void, which protects patients and members from surprise medical bills for ground ambulance providers.

Our primary concern with HB1322 is contained within section 2 – which establishes a 400% of Medicare rate for ambulance services. As the term “ambulance services” is broadly defined; the scope of that term may need further discussion as not all ambulance services are equal – for example, ground versus air ambulance or emergent versus non-emergent transportation.

We recognize, that especially in rural areas, ambulance access may be a barrier for patients and members. For the purposes of my testimony, we are assuming that contracted rates for ambulance providers would still dictate reimbursement for ambulance services and this rate cap would not apply to existing or future contracts. We would like to maintain the autonomy to negotiate contracts with ambulance providers and not artificially set a rate in statute. Reimbursement rates – specifically with ambulance services – are created through considering a number of factors. Rates are typically established through private negotiations with ambulance providers; if, through negotiations, that rate is accepted – that provider is then contracted with the health plan.

Existing rates for ambulance services in the market today are well below the proposed 400% of Medicare – the 400% proposal amounts to nearly double the rate that which ambulances (ground ambulance for this example) are reimbursed today. By contrast, through the Medicaid Expansion program, rates are generally capped around 145% of Medicare due to recent State legislation. Through Federal price transparency efforts, health plan rates are now available online. **If a provider would be able to obtain double reimbursement by refusing to contract with a health plan, that removes the incentive to contract with health plans – and ultimately will result in increased prices in the market.**

Sanford Health Plan supports access to ambulance services as, often times, those moments are when our patients and members may be at some of the toughest points in their lives. Yet, we need to maintain a strong contracting and network structure to maintain financial stability of premiums and minimizing increasing the costs of health care.

We are committed with working with the proponents on a potential compromise and our ultimate goal is to keep the patient and member out of those financial discussions, maintain a competitive pricing market, and increase access to ambulance services in North Dakota.

I welcome any questions and thank you for the consideration.

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Head of Government Affairs

Sanford Health Plan