

Multiple Agency Fiscal Note Summary

Bill Number: 5986 SB	Title: Out-of-network health costs
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Department of Health	0	0	0	10,000	10,000	10,000	10,000	10,000	10,000
Total \$	0	0	0	10,000	10,000	10,000	10,000	10,000	10,000

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Washington State Health Care Authority	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Office of Insurance Commissioner	.9	0	0	549,089	.5	0	0	342,672	.2	0	0	108,581
Department of Health	.2	49,000	49,000	49,000	.5	179,000	179,000	179,000	.4	110,000	110,000	110,000
The Evergreen State College	.0	0	0	0	.7	230,178	230,178	230,178	.0	0	0	0
Total \$	1.1	49,000	49,000	598,089	1.7	409,178	409,178	751,850	0.6	110,000	110,000	218,581

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Washington State Health Care Authority	.0	0	0	.0	0	0	.0	0	0
Office of Insurance Commissioner	.0	0	0	.0	0	0	.0	0	0
Department of Health	.0	0	0	.0	0	0	.0	0	0
The Evergreen State College	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

NONE

Prepared by: Jason Brown, OFM	Phone: (360) 742-7277	Date Published: Revised 1/21/2024
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Individual State Agency Fiscal Note

Bill Number: 5986 SB	Title: Out-of-network health costs	Agency: 107-Washington State Health Care Authority
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Greg Attanasio	Phone: 360-786-7410	Date: 01/09/2024
Agency Preparation: Molly Christie	Phone: 360-725-5138	Date: 01/12/2024
Agency Approval: Tanya Deuel	Phone: 360-725-0908	Date: 01/12/2024
OFM Review: Marcus Ehrlander	Phone: (360) 489-4327	Date: 01/15/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

See attached narrative.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

See attached narrative.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

See attached narrative.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

HCA Fiscal Note

Bill Number: 5986 SB

HCA Request #: 24-036

Title: Out-of-Network Health Costs

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

HCA Fiscal Note

Bill Number: 5986 SB

HCA Request #: 24-036

Title: Out-of-Network Health Costs

Part II: Narrative Explanation

II. A - Brief Description of What the Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

SB 5986 amends Chapters 48.43 RCW (Insurance Reform) and 48.49 RCW (Balance Billing Protection Act) to prohibit nonparticipating ground ambulance services organizations from balance billing health plan enrollees for covered ground ambulance services and requires health carriers to provide coverage for ground ambulance transport services to behavioral health emergency services providers for a medical emergency. The proposed legislation applies to health plans issued or renewed on or after January 1, 2025.

Section 1 – Amends RCW 48.43.005 and 2023 c 433 § 20

1(27) Adds a definition for “Ground ambulance services” to mean:

- (a) medical treatment and care rendered by ground ambulance vehicles at the scene of a medical emergency or during transportation to an appropriate emergency services provider; and
- (b) ground ambulance transport between any combination of emergency services providers and medical facilities when the services are medically necessary and provided by one or more ground ambulance vehicles.

1(28) Adds a definition for “Ground ambulance services organization” to mean a public or private organization licensed by the Department of Health (DOH) to provide ground ambulance services.

Section 2 – Amends RCW 48.49.003 and 2022 c 263 § 6

Establishes intent to prohibit balance billing of enrollees in fully insured health plans and plans offered by the Public Employees’ Benefits Board and School Employees’ Benefits Board (PEBB and SEBB) for ground ambulance services.

Section 8 – New section under Chapter 48.49 RCW

Prohibits nonparticipating ground ambulance services organizations from balance billing enrollees of health plans issued or renewed on or after January 1, 2025. Enrollees must pay the in-network cost-sharing amount specified by their health plan for covered ground ambulance services, which will be calculated according to the allowed amount that is either:

- (3)(a) The rate submitted by a local governmental entity to the Office of the Insurance Commissioner (OIC);
- or
- (3)(b) The lesser of 325 percent of the current published Medicare allowed rate for ambulance services established by the Centers for Medicare and Medicaid Services (CMS) for the same geographic area or the ground ambulance services organization’s billed charges.

Section 9 – New section under Chapter 48.49 RCW

Permits local governmental entities to submit rates to OIC for purposes of Section 8 of this act.

Section 12 – New section under Chapter 48.49 RCW

Requires health plans issued or renewed on or after January 1, 2025 to cover, without prior authorization, ground ambulance transports to behavioral health emergency services providers for enrollees experiencing an emergency medical condition.

HCA Fiscal Note

Bill Number: 5986 SB

HCA Request #: 24-036

Title: Out-of-Network Health Costs

Section 13 – New section

The OIC, in consultation with the Health Care Authority (HCA) must contract for an actuarial analysis of the cost and potential savings of coverage by individual, small group, large group, and PEBB and SEBB health plans for ground ambulance services at the scene of an emergency that do not result in transport to a hospital or behavioral health emergency services provider. The OIC and HCA must report results and recommendations to the legislature by October 1, 2025.

Section 14 – New section under Chapter 18.73 RCW (Emergency Medical Care and Transportation Services)

The Washington State Institute for Public Policy (WSIPP), in consultation with the Department of Health (DOH), HCA, and the OIC must conduct a joint study and develop recommendations on whether emergency medical services should be treated as an essential health service provided by state and local government entities and funded exclusively by federal, state, or local governmental entities as a public health service. The report must be submitted to the legislature by October 1, 2026.

II. B – Cash Receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

NONE

II. C – Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Public Employees Benefits Board (PEBB) and School Employees Benefits Board (SEBB) Program Impact

The total fiscal impact is indeterminate.

There is the potential for cost impacts to the PEBB and SEBB programs via the Employer Medical Contribution (EMC) if this legislation results in an increase in billed charges by ground ambulance services organizations.

Under Sections 2 and 8, nonparticipating ground ambulance services organizations are prohibited from balance billing enrollees of health plans offered by the PEBB and SEBB programs, including the self-insured Uniform Medical Plan (UMP), for covered ground ambulance services. Enrollees will pay no more than the in-network cost-sharing for these services. The allowed amount for ground ambulance services must be set according to the local governmental entity rate submitted to the OIC, or the lesser of billed charges or 325 percent of the Medicare allowed amount for the geographic area.

Additionally, Section 9 requires health plans to cover, without prior authorization, ground ambulance transports to behavioral health emergency services providers for enrollees experiencing an emergency medical condition.

All PEBB and SEBB health plans cover ground ambulance services, including for transport to behavioral health emergency services providers, without prior authorization. Regence, the UMP third party administrator (TPA)

HCA Fiscal Note

Bill Number: 5986 SB

HCA Request #: 24-036

Title: Out-of-Network Health Costs

reimburses out-of-network ground ambulance services organizations at billed charges, and members pay a 20 percent coinsurance. However, the billed amount may be lower than 325 percent of the Medicare allowed amount. If some non-participating ground ambulance services organizations attempt to maximize reimbursement by reestablishing billed charges at 325 percent of Medicare, there could be an increase in both plan and enrollee liability. Based on UMP claims for ground ambulance services in 2022, repricing all allowed amounts to 325 percent of Medicare did not result in a significant increase or decrease in plan liability. However, HCA is unable to predict future utilization of these services and how ground ambulance services organizations will respond to the allowed cost methodology in their pricing.

Sections 13 and 14 require HCA to provide consultation on two separate reports to the legislature concerning:

- Costs and/or savings for health plans to cover ground ambulance services at the scene of an emergency that do not result in transport to a hospital or behavioral health emergency services provider; and
- Whether emergency medical services should be treated as an essential health service provided by state and local government entities and funded exclusively by federal, state, or local governmental entities as a public health service.

HCA assumes that actuarial support for these studies would be contracted through the OIC and WSIPP, respectively, and assumes that any costs identified in their fiscal notes for these purposes would be sufficient.

Apple Health Program

There is no impact to the Apple Health program.

HCA Fiscal Note

Bill Number: 5986 SB

HCA Request #: 24-036

Title: Out-of-Network Health Costs

Part III: Expenditure Detail

III. A - Operating Budget Expenditure

See Section II, above.

III. B - Expenditures by Object or Purpose

See Section II, above.

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object or Purpose

NONE

IV. C - Capital Budget Breakout: Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

NONE

Individual State Agency Fiscal Note

Bill Number: 5986 SB	Title: Out-of-network health costs	Agency: 160-Office of Insurance Commissioner
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	1.9	0.9	0.5	0.2
Account					
Insurance Commissioners Regulatory Account-State 138-1	0	549,089	549,089	342,672	108,581
Total \$	0	549,089	549,089	342,672	108,581

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Greg Attanasio	Phone: 360-786-7410	Date: 01/09/2024
Agency Preparation: Sydney Rogalla	Phone: 360-725-7042	Date: 01/12/2024
Agency Approval: Michael Wood	Phone: 360-725-7007	Date: 01/12/2024
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 01/15/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 3 requires the Office of Insurance Commissioner (OIC) to include emergency service providers and ground ambulance services organizations in the consultation when developing standard template language for notice of consumer rights. It also requires the OIC to determine by rule when, and in what format, behavioral health emergency services providers and ground ambulance services organizations must provide consumers with the notice developed.

Section 8(1) prohibits, for health plans issued or renewed on or after January 1, 2025, a nonparticipating ground ambulance services organization from balance billing an enrollee for covered ground ambulance services.

Section 8(2) allows that if the enrollee receives covered ground ambulance services:

- a) The enrollee satisfies their obligation to pay for the ground ambulance services if they pay the in-network cost-sharing amount specified in the health plan contract.
- b) The carrier and nonparticipating ground ambulance services organization, and any of its agents, trustees or assignees, must ensure that the enrollee incurs no greater cost than the amount determined under section 8(2)(a).
- c) The nonparticipating ground ambulance services organization and any of its agents, trustees, or assignees are prohibited from balance billing or otherwise attempting to collect from the enrollee any amount greater than the amount determined under section 8(2)(a).
- d) The carrier shall treat any cost-sharing amounts determined under section 8(2)(a) paid by the enrollee for a nonparticipating ground ambulance services organization's services in the same manner as cost sharing for health care services provided by an in-network ground ambulance services organization and must apply any cost sharing amounts paid by the enrollee toward the enrollee's maximum out-of-pocket payment obligation.
- e) A ground ambulance services organization is required to refund any amount in excess of the in-network cost-sharing amount to the enrollee within 30 business days of receipt if the enrollee has paid the nonparticipating ground ambulance services organization an amount that exceeds the in-network cost-sharing amount determined under section 8(2)(a). Interest must be paid to the enrollee for any unrefunded payments at a rate of 12% beginning on the first calendar day after the 30 business days.

Section 10 requires the OIC to undertake a process to review the reasonableness of the percentage of the Medicare rate established in section 8 and any trends in change to ground ambulance services rates set by local governmental entities. The results of the review must be submitted to the legislature by the earlier of October 1, 2027, or October 1st following any update in Medicare ground ambulance services payment rates by the federal Centers for Medicare and Medicaid Services.

Section 12 requires, for health plans issued or renewed on or after January 1, 2025, a health carrier to provide coverage for ground ambulance transports to behavioral health emergency services providers for enrollees who are experiencing an emergency medical condition.

Section 13 requires the OIC, in consultation with the Health Care Authority, to contract for an actuarial analysis of the cost, potential cost savings and total net costs or savings of covering services provided by ground ambulance services organizations when a ground ambulance service organization is dispatched to the scene of an emergency and the person is treated but is not transported to a hospital or behavioral health emergency service provider. The report must be submitted to the legislature by October 1, 2025.

Section 14 requires the WA State Institute for Public Policy, in collaboration with the OIC, to conduct a study and develop recommendations on whether emergency medical services should be treated as an essential health service provided by state and local governmental entities and funded exclusively by federal, state, or local governmental entities as a public health service. The report and recommendations are required to be submitted to the legislature on or before October 1, 2026.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Section 3 requires the Office of Insurance Commissioner (OIC) to include emergency service providers and ground ambulance services organizations in the consultation when developing standard template language for notice of consumer rights. It also requires the OIC to determine by rule when, and in what format, behavioral health emergency services providers and ground ambulance services organizations must provide consumers with the notice developed. The OIC currently hosts template language for consumer notices of their balance billing rights on its website. The website will be required to be updated to include the new protections for behavioral health emergency services and ground ambulance services and the notices will need to be translated into the top languages spoken in WA requiring one-time costs of 2 hours of a Functional Program Analyst 4 and \$1,500 for translation services in FY2025.

Section 8(1) prohibits, for health plans issued or renewed on or after January 1, 2025, a nonparticipating ground ambulance services organization from balance billing an enrollee for covered ground ambulance services.

Section 8(2) allows that if the enrollee receives covered ground ambulance services:

- a) The enrollee satisfies their obligation to pay for the ground ambulance services if they pay the in-network cost-sharing amount specified in the health plan contract.
- b) The carrier and nonparticipating ground ambulance services organization, and any of its agents, trustees or assignees, must ensure that the enrollee incurs no greater cost than the amount determined under section 8(2)(a).
- c) The nonparticipating ground ambulance services organization and any of its agents, trustees, or assignees are prohibited from balance billing or otherwise attempting to collect from the enrollee any amount greater than the amount determined under section 8(2)(a).
- d) The carrier shall treat any cost-sharing amounts determined under section 8(2)(a) paid by the enrollee for a nonparticipating ground ambulance services organization's services in the same manner as cost sharing for health care services provided by an in-network ground ambulance services organization and must apply any cost sharing amounts paid by the enrollee toward the enrollee's maximum out-of-pocket payment obligation.
- e) A ground ambulance services organization is required to refund any amount in excess of the in-network cost-sharing amount to the enrollee within 30 business days of receipt if the enrollee has paid the nonparticipating ground ambulance services organization an amount that exceeds the in-network cost-sharing amount determined under section 8(2)(a). Interest must be paid to the enrollee for any unrefunded payments at a rate of 12% beginning on the first calendar day after the 30 business days.

The application of the Balance Billing Protection Act (BBPA) to nonparticipating ground ambulance services organizations in section 8 will drive additional written inquiries, calls and complaints to the OIC. Based on the number of arbitrations received under the BBPA in 2022, an additional 84 consumer calls, 36 written inquires and 21 complaints relating to nonparticipating ground ambulance balance billing are expected each year. Informational cases generally take 10 minutes per case and complaint cases generally take between 1.0 and 3.25 hours per case; however, BBPA consumer complaints will be highly complex taking 3 times longer than the average high, or 9.75 hours per case. For purposes of this fiscal note, it is assumed informational cases will require 10 minutes per case and complaint cases will require an average of 9.75 hours per case requiring 224.75 hours (120 info cases x 10 minutes + 21 complaint cases x 9.75 hours) of a Functional Program Analyst 3 beginning in FY2025.

Additionally, the changes to the BBPA in section 8 will require additional market analysis and market conduct reviews of carriers. Based on previous experience with violations of the BBPA, the OIC assumes it will need to conduct an additional

two market conduct continuums/examinations (MCEs) in FY2025 requiring 240 hours (2 MCEs x 120 hours) of a Functional Program Analyst 3.

Section 10 requires the OIC to undertake a process to review the reasonableness of the percentage of the Medicare rate established in section 8 and any trends in change to ground ambulance services rates set by local governmental entities. The results of the review must be submitted to the legislature by the earlier of October 1, 2027, or October 1st following any update in Medicare ground ambulance services payment rates by the federal Centers for Medicare and Medicaid Services. The OIC will require 40 hours per month for one year, or 360 hours in FY2027 and 120 hours in FY2028, of a Senior Policy Analyst to develop a project plan, coordinate the procurement of relevant data, conduct data research, compile findings, and prepare reports. Additionally, technical input regarding legal issues and insurance rates will require 42 hours of an Actuary 4, in FY2027, to provide input, participate in various meetings and provide subject matter expertise. Given the complexity of assessing the cost impact of Medicare rate percentage, the OIC will also be required to contract with a third-party entity to provide actuarial analysis. The OIC anticipates a contract cost of \$150,000 in FY2027 and \$50,000 in FY2028.

Section 12 requires, for health plans issued or renewed on or after January 1, 2025, a health carrier to provide coverage for ground ambulance transports to behavioral health emergency services providers for enrollees who are experiencing an emergency medical condition. Additional review of health plan form filings will be required to ensure the coverage for ground ambulance transports and compliance with the requirements, coverage limitations, and definitions within the bill. The OIC will require one-time costs, in FY2025, of 19 hours of a Functional Program Analyst 4 to update filing review standards and speed-to-market tools, update checklist documents and filing instructions, and train staff. The OIC receives approximately 502 health plan form filings each year and assumes the new review standards will result in an additional 15 minutes of review per form filing in FY2025 and an additional 5 minutes of review per form filing in FY2026 and thereafter requiring 125.5 hours (502 form filings x 15 minutes) in FY 2025 and 42 hours (502 form filings x 5 minutes) in FY2026 and thereafter of a Functional Program Analyst 3.

Section 13 requires the OIC, in consultation with the Health Care Authority, to contract for an actuarial analysis of the cost, potential cost savings and total net costs or savings of covering services provided by ground ambulance services organizations when a ground ambulance service organization is dispatched to the scene of an emergency and the person is treated but is not transported to a hospital or behavioral health emergency service provider. The report must be submitted to the legislature by October 1, 2025. The OIC will require 720 hours in FY2025 and 180 hours in FY2026 of a Senior Policy Analyst to develop a project plan, coordinate with the Health Care Authority and Department of Health, develop interagency agreements or MOUs to obtain or disclose data, contract administration, data research, compilation of findings and preparation of a final report. Additionally, technical input regarding legal issues and insurance rates will require 42 hours of an Actuary 4, in FY2025, to provide input, participate in various meetings and provide subject matter expertise. Given the complexity of providing coverage for treatment but not transport services, the OIC anticipates contracting costs of \$220,000, in FY2025 and \$30,000 in FY2026, to collect data and report on the costs of covering treatment but no transport services.

Section 14 requires the WA State Institute for Public Policy (WSIPP), in collaboration with the OIC, HCA and DOH, to conduct a study and develop recommendations on whether emergency medical services should be treated as an essential health service provided by state and local governmental entities and funded exclusively by federal, state, or local governmental entities as a public health service. The report and recommendations are required to be submitted to the legislature on or before October 1, 2026. The OIC will require 240 hours in FY2025 and FY2026 and 60 hours in FY2027 of a Senior Policy Analyst to develop a project plan, coordinate with the HCA, DOH, WSIPP, develop interagency agreements or MOUs to obtain or disclose data, attend meetings, data research, compile findings and prepare a final report. Additionally, technical input regarding legal issues and insurance rates, forms and provider networks will require 72 hours in FY2025 and FY2026 and 18 hours in FY2027 of a Health Forms Program Manager.

Ongoing Costs:

Salary, benefits and associated costs for .17 FTE Functional Program Analyst 3.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
138-1	Insurance Commissioners Regulatory Account	State	0	549,089	549,089	342,672	108,581
Total \$			0	549,089	549,089	342,672	108,581

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		1.9	0.9	0.5	0.2
A-Salaries and Wages		201,025	201,025	99,171	34,810
B-Employee Benefits		62,246	62,246	30,966	12,054
C-Professional Service Contracts		220,000	220,000	180,000	50,000
E-Goods and Other Services		65,818	65,818	32,535	11,717
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	549,089	549,089	342,672	108,581

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Actuary 4	204,684		0.0	0.0	0.0	
Functional Program Analyst 3	78,468		0.4	0.2	0.2	0.2
Functional Program Analyst 4	86,712		0.2	0.1		
Health Forms Program Manager	119,076		0.0	0.0	0.0	
Senior Policy Analyst	116,148		1.3	0.6	0.3	0.0
Total FTEs			1.9	1.0	0.5	0.2

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Sections 3 and 8 will require amending and adopting new sections of WAC. A broad range of interested organizations, including specialty medical providers, hospitals, ambulatory surgical facilities, laboratories, behavioral health providers, and ground ambulance providers, consumers, and carriers will participate in this rulemaking. This will be ‘complex’ rulemaking in FY2025.

The OIC expects to amend the following rules to reference ground ambulance services organizations:

- WAC 284-43B-020 Balance Billing Prohibition and Consumer Cost-sharing
- WAC 284-43B-050 Determining whether an enrollee’s health plan is subject to the Requirements of the Act

Individual State Agency Fiscal Note

Bill Number: 5986 SB	Title: Out-of-network health costs	Agency: 303-Department of Health
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
General Fund-State 001-1				10,000	10,000
Total \$				10,000	10,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.3	0.2	0.5	0.4
Account					
General Fund-State 001-1	0	49,000	49,000	179,000	110,000
Total \$	0	49,000	49,000	179,000	110,000

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Greg Attanasio	Phone: 360-786-7410	Date: 01/09/2024
Agency Preparation: Donna Compton	Phone: 360-236-4538	Date: 01/12/2024
Agency Approval: Kristin Bettridge	Phone: 3607911657	Date: 01/12/2024
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 01/15/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Senate Bill 5986 prohibits balance billing for ground ambulance services and addresses coverage of transports to treatment for emergency medical conditions.

Section 6: Amends RCW 48.49.100 (Pattern of unresolved violations—Enforcement action by department of health or appropriate disciplining authority) directing OIC (Office of the Insurance Commissioner) to submit information to the Department of Health (department) if OIC has cause to believe that any ground ambulance services organizations has engaged in a pattern of unresolved violations of Section 8 of this act.

Section 8: Adds a new section to 48.49 RCW (Balance Billing Protection Act) requiring health plans issued or renewed after January 1, 2025, prohibiting a nonparticipating ground ambulance services organization from balance billing and enrollee for covered ground ambulance services.

Section 11: Adds a new section to 18.73 RCW (Emergency Medical Care and Transportation Services) giving the department authority to levy a fine upon a ground ambulance services organization in an amount not to exceed \$1,000 per violation if the repeated violation report from OIC is substantiated after investigation.

Section 14: Adds a new section to 18.73 RCW (Emergency Medical Care and Transportation Services) directing the department to collaborate with the Washington State Institute for public policy, the Health Care Authority, and OIC to conduct a study and develop recommendations on whether emergency medical services should be treated as an essential health service provided by state and local governmental entities and funded by those entities as a public health service. The report and recommendations must be submitted to relevant policy and fiscal committees of the legislature on or before October 1, 2026.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

The department does not collect fees to support emergency medical systems programs, all activities related to program operation, licensing, and disciplinary actions are supported by general fund state; therefore, the department does not expect an increase in cash receipts related to the increased workload.

Section 11: Adds a new section to 18.73 RCW (Emergency Medical Care and Transportation Services) giving the department authority to levy a fine upon a ground ambulance services organization in an amount not to exceed \$1,000 per violation if the repeated violation report from OIC is substantiated after investigation. Based on historical trends of complaints related to insurance issues for ground ambulance services organizations, the department estimates 12 new complaints each year. Of those 12 complaints 5 may warrant an investigation and result in a fine levied on the ground ambulance services organization.

Estimated Revenue for ground ambulance services organizations fines:

FY 2026: \$5,000 (5 fines)
FY 2027: \$5,000 (5 fines)
FY 2028: \$5,000 (5 fines)
FY 2029: \$5,000 (5 fines)

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Rulemaking

Section 6, 11: The department will develop and adopt rules for fining a ground ambulance services organization that is found, after investigation, to have repeated violations of section 8 of this act. The department anticipates utilizing a team of subject matter experts to implement this bill. This team will consist of the program manager and a community engagement specialist to identify underreached communities and engage them in the rulemaking process. This process will include two meetings with interested parties as well as one formal rules hearing, all held virtually, and will take approximately 12 months to complete. The department anticipates providing the rules hearing announcement and materials in both English and Spanish and providing ASL and Spanish interpretation services at the rules hearing.

Costs include staff, associated expenses (including goods and services, travel, intra-agency, and indirect charges), and Office of Attorney General support in the amount of \$4,000.

FY 2025 one-time costs will be 0.2 FTE and \$29,000.

Office of Community Health Systems

Section 14: The department will collaborate with the Washington State Institute for public policy, the Health Care Authority, and OIC to conduct a study and develop recommendations on whether emergency medical services should be treated as an essential health service provided by state and local governmental entities and funded by those entities as a public health service. Staff time is needed to collect, review and analyze data, participate in a workgroup to conduct the study, and review the report required in this section.

Costs include staff, associated expenses (including goods and services, intra-agency, and indirect charges).

FY 2025 costs will be 0.1 FTE and \$20,000 (GF-S).

FY 2026 costs will be 0.1 FTE and \$20,000 (GF-S).

FY 2027 costs will be \$3,000 (GF-S).

Office of Investigative and Legal Services

Based on historical trends of complaints related to insurance issues for ground ambulance services organizations, the department estimates 12 new complaints each year.

The complaint response process includes five steps: 1) intake, 2) assessment, 3) investigation, 4) case disposition, and 5) adjudication. Staff review the complaint, identify the history of the person complained about, and help assess whether an investigation is needed. In more than half the cases, investigation is needed. The investigator obtains information about the complaint and the respondent and prepares a report detailing the findings. After investigation, the disciplining authority decides whether to pursue legal action. Staff attorneys, paralegals, assistant attorney general and other staff work to develop the legal documents and charge the violation. Most cases are settled, and the staff attorney manages that process. If the respondent asks for a hearing, staff must schedule the hearing, and the health law judge considers all legal motions, presides over the hearing, and drafts the final order. Also, the Office of the Attorney General will represent the department at hearing and may provide advice throughout the disciplinary process.

Cost estimates for the complaint response process associated with this bill were calculated using the department's

Disciplinary Workload Model. Estimated discipline costs include staff, associated costs (goods and services, intra-agency and indirect charges).

FY 2026 and ongoing, costs will be 0.3 FTE and \$50,000 (GF-S) each year.

Office of Information Technology

Configuration in the department’s Healthcare Enforcement and Licensing Modernization System will require 63.5 hours from the integration vendor at a rate of \$270 per hour. Work will include the initial vendor configuration and agency staff time for ongoing maintenance as well as updating of reports, user defined fields, and workflows for updates required to track repeated violations.

FY 2026 costs will be 0.2 FTE and \$40,000 GFS.
 FY 2027 costs will be 0.1 FTE and \$16,000 (GF-S).
 FY 2028 and ongoing, costs will be 0.1 FTE and \$5,000 each year.

Total costs to implement this bill are:

FY 2025 – 0.3 FTE and \$49,000 (GF-S).
 FY 2026 – 0.6 FTE and \$110,000 (GF-S).
 FY 2027 – 0.4 FTE and \$69,000 (GF-S).
 FY 2028 and ongoing – 0.4 FTE and \$55,000 (GF-S) each year.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	49,000	49,000	179,000	110,000
Total \$			0	49,000	49,000	179,000	110,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.3	0.2	0.5	0.4
A-Salaries and Wages		24,000	24,000	87,000	58,000
B-Employee Benefits		9,000	9,000	32,000	22,000
C-Professional Service Contracts		1,000	1,000	17,000	
E-Goods and Other Services		13,000	13,000	34,000	24,000
T-Intra-Agency Reimbursements		2,000	2,000	9,000	6,000
9-					
Total \$	0	49,000	49,000	179,000	110,000

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
HEALTH CARE INVESTIGATOR 3	82,056				0.1	0.1
Health services consultant 1	58,104				0.1	0.1
Health services consultant 4	86,208		0.2	0.1	0.2	0.1
HEARINGS EXAMINER 3	100,008				0.1	0.1
Management Analyst 4	86,208		0.1	0.1	0.1	
Total FTEs			0.3	0.2	0.5	0.4

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Sections 6 and 11: The department will adopt rules in WAC 246-976-270 (Denial, Suspension, Revocation) and WAC 246-976-400 (Verification—Noncompliance with Standards) as necessary to implement this bill.

Individual State Agency Fiscal Note

Bill Number: 5986 SB	Title: Out-of-network health costs	Agency: 376-The Evergreen State College
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.0	0.0	0.7	0.0
Account					
General Fund-State 001-1	0	0	0	230,178	0
Total \$	0	0	0	230,178	0

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Greg Attanasio	Phone: 360-786-7410	Date: 01/09/2024
Agency Preparation: Catherine Nicolai	Phone: (360) 664-9087	Date: 01/12/2024
Agency Approval: Dane Apalategui	Phone: 360-867-6517	Date: 01/12/2024
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 01/12/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Sec. 14 of SB 5986 directs WSIPP, in collaboration with the Department of Health, the Health Care Authority, and the Office of the Insurance Commissioner, to conduct a study and develop recommendations on whether emergency medical services should be treated as an essential health service provided by state and local governmental entities and funded exclusively by federal, state, or local governmental entities as a public health service.

WSIPP "shall consider the following elements in conducting the study:

- (a) Trends in the number and types of emergency medical services available and the volume of 911 responses and interfacility transports provided by emergency medical services organizations over time and by county in Washington state;
- (b) Projections of the need for emergency medical services in Washington state counties over the next 10 years;
- (c) Identification of geographic areas in Washington state without access to emergency medical services within an average 30-minute response time;
- (d) Estimates for the cost to address gaps in emergency medical services so all parts of the state are assured a timely response; and
- (e) Models for funding emergency medical services that are used by other states."

WSIPP is asked to "consult with emergency medical services organizations, local governmental entities, hospitals, labor organizations representing emergency medical services personnel, and other interested entities as determined by the institute in consultation with the department, the health care authority, and the office of the insurance commissioner."

The report and recommendations must be submitted to the legislature on or before October 1, 2026.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

In order to complete the assignment outlined in Sec. 14 of SB 5986, WSIPP would assign the following resources:

FY26

-0.93 FTE Researcher to consult with agencies, scope the study, engage with stakeholders, submit data requests and the Washington State Institutional Review Board (WSIRB) application, and begin data analysis.

-0.06 FTE Methods Review to develop a study plan.

-Assumes \$750 in WSIRB fees.

FY 27

-0.22 FTE Researcher to complete data analysis and write the report.

-0.06 FTE Methods Review for methodological review.

-0.06 FTE Editing/Publication for publication.

*Goods and other services include a 12% indirect rate for The Evergreen State College.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	0	0	230,178	0
Total \$			0	0	0	230,178	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years				0.7	
A-Salaries and Wages				161,542	
B-Employee Benefits				43,304	
C-Professional Service Contracts					
E-Goods and Other Services				24,582	
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-WSIRB fees				750	
Total \$	0	0	0	230,178	0

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Editing Publication	112,596				0.0	
Methods Review	123,660				0.1	
Researcher	112,596				0.6	
Total FTEs					0.7	0.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5986 SB

Title: Out-of-network health costs

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- Cities:** Fiscal impact on local governments following Office of Insurance Commissioner (OIC) review of local governmental entities: ground ambulance rates; increase in revenue from shift balance billing responsibility from consumer; Cost to local public ground ambulance services organizations (GASO) for providing a notice of consumer rights; Cost for local public GASO to set up new collection process;
- Counties:** Revenue generated from ground ambulance rates following Office of Insurance Commissioner review of local governmental entities ground ambulance rates; Cost to local public ground ambulance services organizations (GASO) for providing a notice of consumer rights; Cost for local public GASO to set up new collection process;
- Special Districts:**
- Specific jurisdictions only:**
- Variance occurs due to:**

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option:
- Key variables cannot be estimated with certainty at this time:** Fiscal impact on local governments following OIC review of local governmental entities ground ambulance rates; increase in revenue from shift balance billing responsibility from consumer; Cost to local public GASO for providing a notice of consumer rights; Cost for local public GASO to set up new collection process;

Estimated revenue impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated expenditure impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Part III: Preparation and Approval

Fiscal Note Analyst: Brandon Rountree	Phone: (360) 999-7103	Date: 01/16/2024
Leg. Committee Contact: Greg Attanasio	Phone: 360-786-7410	Date: 01/09/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/16/2024
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 01/21/2024

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

Overview: This bill is intended to protect consumers from balance billing for out-of-network emergency ground ambulance services by prohibiting balance billing for ground ambulance services.

Sections that impact local governments:

Sec. 1 (Amends RCW 48.43.005):

(27) Adds language to define “Ground ambulance services” as:

- (a) The rendering of medical treatment and care at the scene of a medical emergency or while transporting a patient to an appropriate emergency services provider when the services are provided by one or more ground ambulance vehicles;
- (b) Ground ambulance transport between emergency services providers, emergency services providers and medical facilities, and between medical facilities when the services are medically necessary and are provided by one or more ground ambulance vehicles.

(28) Adds language which defines “Ground ambulance services organization” as a public or private organization licensed by the department of health to provide ground ambulance services. Ground ambulance services organizations are not considered providers.

Sec. 3 (Amends RCW 48.49.060):

(1) Adds language which includes “behavioral health emergency services providers” and “ground ambulance services organizations” with the organizations the insurance commissioner must consult with when developing standard template language for a notice of consumer rights notifying consumers of their rights under this chapter, and sections 2799A-1 and 2799A-2 of the public health service act.

(3) Adds language which includes “behavioral health emergency services providers” and GASO in the list of organizations the insurance commissioner must determine by rule when and in what format to provide consumers with notice of development under this section.

Sec. 4 (Amends RCW 48.49.070):

(1) (a) Adds language which requires GASO to post information the following information on their website:

- (i) The listing of the carrier health plan provider networks that is an in-network provider;
- (ii) Notice of consumer rights.

(1) (b) Adds language which requires GASO to provide the information listed in (1) (a) orally or written if they do not maintain a website.

(2) Adds language that does not relieve GASO of their obligation to comply with the provisions of this chapter if they post or otherwise provide the information required in this section.

Sec. 6 (Amends RCW 48.49.100):

(3) Adds language that authorizes the commissioner to apply subsections (1) and (2) to any GASO they believe engaged in a pattern of unresolved violations of section 8 of this act.

Sec. 8 (Adds new section to RCW 48.49)

(1) Nonparticipating GASO may not balance bill an enrollee for covered ground ambulance services for enrollees with health plans issued or renewed on or after January 1, 2025.

(2) If an enrollee receives covered ground ambulance services:

(2) (a) The enrollee satisfies their obligation to pay ground ambulance services if they pay the in-network cost-sharing amount specified in the groups health plan contract. Must be calculated using allowed amount determined under subsection (3) of this section;

(2) (b) Requires GASO to ensure the enrollee incurs no greater cost than the amount determined under (a) of this section;
(2) (c) Prohibits nonparticipating GASO balance billing or otherwise attempt to collect from the enrollee any amount greater than the amount determined under (a) of this section. Does not impact GASO ability to collect past due balance for the cost-sharing amount with interest;
(2) (d) Carrier must treat any cost-sharing amounts determined under (a) of this section paid by the enrollee for a nonparticipating GASO services in the same manner as services provided by an in-network GASO and must apply any cost sharing amounts paid by enrollee for such services toward the enrollee's maximum out-of-pocket payment obligation
(2) (e) GASO must refund any amount in excess of in-network cost-sharing amount to an enrollee within 30 business days of receipt if the enrollee has paid the nonparticipating GASO an amount in excess of the in-network cost-sharing amount determined under (a) of this section. 12% interest must be paid to the enrollee for any unrefined payment beginning on the first calendar day after the 30 business days.

(3) Allowed amount paid to a nonparticipating GASO for covered ground ambulance services under a health plan issued by a carrier must be one of the following amounts:

(3) (a) If a local governmental entity has submitted a rate to the Office of Insurance Commissioner (OIC) under section 9, the rate is set by the local government entity in the jurisdiction in which the covered health care services originated;

(3) (b) The lesser is charged if the local government entity has not submitted a rate to OIC under section 9:

(i) 325% of the current published rate for ambulance services as established by the federal centers for Medicare and Medicaid under Title XVIII of the social security act for same service provided in same geographic area;

(ii) GASO billed charges.

(4) Payment made in compliance with this section is payment in full for the covered services provided, except for any in-network copayment, coinsurance, deductible, and other cost-sharing amounts required to be paid by enrollee.

(5) Carriers must make payments for ground ambulance services provider by nonparticipating GASO directly to the organization.

(6) GASO may not request or require a patient at any time to sign or execute by oral, written, or electronic means, any document that would attempt to avoid, waive, or alter any provision of this section.

(7) Carriers must make available through electronic and other methods of communication generally used by a GASO to verify enrollee eligibility and benefits information regarding if enrollee's health plan is subject to requirements of this section.

(8) GASO are not considered providers. Establishes RCW 48.49.020, 48.49.030, 48.49.040, and 48.49.160 do not apply to ground ambulance services or GASO.

Sec. 9 (Adds new section to RCW 48.49):

Local governmental entities can submit to OIC the rate set by the local governmental entity in the form and manner prescribed by the commissioner. Local governmental entities are solely responsible for submitting any updates to their rate to the commissioner or lead organization for administrative simplification as directed by the commissioner.

Sec. 11 (Adds new section to RCW 18.73):

If the insurance commissioner reports to the department that they have cause to believe that a GASO has engaged in a pattern of violations of section 8 and the report is substantiated after investigation, the department can levy a fine upon the GASO in an amount no more than \$1,000 per violation and take other formal or informal disciplinary action as permitted under the authority of the department.

Sec. 12 (Adds new section to RCW 48.43):

(1) For health plans issued or renewed on or after January 1, 2025, a health carrier shall provide coverage for ground ambulance transports to behavioral health emergency services providers for enrollees who are experiencing an emergency medical condition as defined in RCW 48.43.005. Health carriers may not require prior authorization of ground ambulance services if a prudent layperson acting reasonably would have believed that an emergency medical condition existed.

(2) Coverage of ground ambulance transports to behavioral health emergency services providers may be subject to applicable in-network copayments, coinsurance, and deductibles.

Sec. 14 (Adds new section to RCW 18.73):

(3) In conducting the study, the institute shall consult with emergency medical services organizations, local governmental entities, hospitals, labor organizations representing emergency medical services personnel, and other interested entities.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

This legislation would have an indeterminate expenditure impact on local governments.

There is not enough available data to estimate the cost of restructuring payment collection of out-of-network public GASO to comply with established balance billing requirements. This lack of data on local public GASO operating costs combined with the scale of change required to reorganize GASO bill collection would have an assumed significant but ultimately indeterminate impact on local government expenditures.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

There is not enough available data to confidentially estimate the possible increase in revenue from prohibiting GASO to balance bill consumers. However, demand for emergency ground ambulance services from nonparticipating GASO was reported to make up 44% of all emergency out-of-network utilizations of ground ambulance services from 2019-2022. During the same time period, OIC reported that 50% of all public GASO emergency utilizations were out-of-network and that 49% of all independent GASO emergency utilizations were also out-of-pocket.

The closest piece of information that could help estimate the possible revenue increase for public GASO comes from the OIC report on Ground Ambulance Balance Billing, which shared the annual collection statistics of a private EMS and ambulance billing service between July 2021 and June 2022. Systems Design West, LLC, reported that over half of the billed charges were either disallowed, uncollected, or still pending in collections from patients.

SOURCES:

Washington State Office of the Insurance Commissioner (OIC)
OIC Ground Ambulance Balance Billing Study Report (2023)
OIC SB 5986 Fiscal Note (2024)