

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
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ROLL NUMBER

DESCRIPTION

1314

2001 HOUSE HUMAN SERVICES

HB 1314

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1314

House Human Services Committee

Conference Committee

Hearing Date January 24, 2001

Tape Number	Side A	Side B	Meter #
Tape 2	X		0 to 2070
Committee Clerk Signature <i>Corinne Easton</i>			

Minutes:

Chairman Price, Vice Chairman Devlin, Rep. Dosch, Rep. Galvin, Rep. Klein, Rep. Pollert, Rep. Porter, Rep. Tieman, Rep. Weiler, Rep. Weisz, Rep. Cleary, Rep. Metcalf, Rep. Niemeier, Rep. Sandvig.

Chairman Price: Open hearing on HB 1314.

Rep. Porter: Presented Bill. (See written testimony.) I am going to testify as a nonparticipating provider and as a consumer of Blue Cross/Blue Shield. We cannot accept what BCBS is paying for ambulance transport. Poor reimbursements is why ambulance services fail in North Dakota. The Bill would protect every insurance and health care consumer in North Dakota. This bill provides the basic protection that every consumer of health insurance deserves.

Chairman Price: Did you say that the constituents are asking you why they pay nonparticipating providers less?

Rep. Porter: Yes.

Chairman Price: But yet on page 2 you said "in a non emergency run. Is that what you said?"

Rep. Porter: Yes.

Chairman Price: But yet you're saying that they only have one rate on page 2. I'm confused.

Rep. Porter: In an emergency situation - I'm not sure what it is right now. Last year it was \$400, was the advanced life support emergency reimbursement. It was the advanced life support non-emergency reimbursement - it was every advanced life support reimbursement. In those situations if you are a participating provider, then you are allowed to bill the patient 20% co-pay and the insurance company would pay 80% of that \$400. As a nonparticipating provider emergency situation, the patient would be mailed a check. Non-emergency situation there is a penalty imposed because the consumer used a nonparticipating provider.

Chairman Price: Just to get an idea, do you know how many runs Metro made in the year 2000?

Rep. Porter: I do, but I don't have them right now. We do all of the funeral home removals, MRI transfers - that is all grouped into the category. It would have been somewhere around 5,300.

Chairman Price: How about the year 1990?

Rep. Porter: That one I don't know.

Mike Hall: Executive Director of Fargo Ambulance Service. I concur with Rep. Porter, however, we are a participating provider of BCBS. The reason we are is that we try to meet the needs of our customers. A year and a half ago BCBS changed their policy on how they dealt with nonparticipating providers. If we were not participating, they would send a check to the consumer, and since we filed the claim they would reimburse the consumer for the cost of the ambulance service. Another service we provide to our consumer, if they would have a

supplemental insurance, we actually went through and filed that for the consumer to help them out so that they could get reimbursed. What we encountered was that the consumer was getting the checks and they didn't understand what the checks were for, and they would spend it on something else. We had no idea whether they got the checks or whether the claim was accepted or denied by BCBS, and hence we would ask them for money and they wouldn't have it and we would expect the money. We got a lot of negative feedback from our customers. How can we do it better. We discussed with BCBS and they had no alternatives for us, so we discussed with our board and we decided that to meet the needs of our customer and help them with the claim process we would become Participating. We discounted those rates and we were able to absorb that in our operations, but what is happening now is the reimbursement with Medicare is going to be dramatically reduced and it is going to be hard for any ambulance service in the country to survive. We need to figure out ways we can work with the providers.

Chairman Price: Are you a community ambulance service or privately owned?

Mike Hall: We're privately owned.

Chairman Price: Has the ambulance group across the state gotten together and talked to the Congressional Delegation about the Medicare reimbursement?

Mike Hall: Yes. We belong to a national association and lobbied pretty heavily for it.

Chairman Price: What has your response been?

Mike Hall: There was some legislation in the last Congress that didn't make it through, and so far we don't have any hope right now. There is nothing pending on it. There has been a little bit of relief for the very rural providers.

Rep. Niemeier: What is involved in being a participating provider? Are there fees, regulations, restrictions?

Mike Hall: What the participation agreement says is: we will bill for certain rates for certain codes and accept on 80% of that, and then we'll bill a co-pay to that customer of 20%, we will submit the claims to them and in turn they will provide the information to us. Meaning whether the claim was paid, how much they paid on the claim so we're sharing information.

Rep. Porter: When you first became a participating provider, did you have non-emergency rates that were less than the fee schedule so that you moved up to cost shift the difference between emergency and non-emergency transportation?

Mike Hall: No we didn't.

Chairman Price: When new Medicare rates come out you're going to go non-par, are you talking with the Blues?

Mike Hall: Yes, with the Blues. We're not participating with Medicare right now. It is mandatory with the new fee schedule for Medicare.

Mike Hamerlik: Blue Cross/Blue Shield of North Dakota. (See written testimony.) This bill changes only a few words in North Dakota's Preferred Provider Organization (PPO) statute, but the changes are significant. This bill virtually eliminates all incentives to control costs through enrollment in a PPO. This bill will raise health care costs for North Dakota through increased out-of-pocket costs and increased health insurance premiums. We ask that you help try to contain the increases in medical costs by giving a DO NOT PASS recommendation to HB 1314.

Rep. Porter: On the last two areas on page 3 - on the top one you say the incentive is to join because of additional payments and direct reimbursement, yet on the bottom one you say that having more nonparticipating providers you'll end up paying more for the service. Wouldn't it be the reverse if you have more participating providers - Blue Cross/Blue Shield actually pays more than if you have less. The increase would come from the out-of-pocket, not from BCBS.

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Mike Hamerlik: The 20% deduction wouldn't be taken, we would pay it back. I am stressed by Medicare squeezing out North Dakota providers. It is a horrible problem and we have to fix it, but having Blue Cross pay it is not the solution.

Chairman Price: Close hearing on HB 1314.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1314 b

House Human Services Committee

Conference Committee

Hearing Date 1-24-01

Tape Number	Side A	Side B	Meter #
3	xx		4300--4450.
Committee Clerk Signature <i>Cornie Easton</i>			

Minutes: Chair Price : Take up HB1314.

Rep. Porter : After the hearing on this, Mr. St.Aubourn and I got together and have come together to say we don't think this bill is necessary at this time. **I move a DO NOT PASS.**

Rep. Pollert : I second.

VOTE: 12 YES and 0 NO with 2 absent. PASSED. Rep. Weller will carry the bill.

Date: 1-24-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1314

House Human Services Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Rep. Porter Seconded By Rep. Pollert

Representatives	Yes	No	Representatives	Yes	No
Clara Sue Price - Chairman	✓		Audrey Cleary	✓	
William Devlin - V. Chairman	✓		Ralph Metcalf	✓	
Mark Dosch	✓		Carol Niemeier	✓	
Pat Galvin	✓		Sally Sandvig	✓	
Frank Klein					
Chet Pollert	✓				
Todd Porter	✓				
Wayne Tieman	✓				
Dave Weller	✓				
Robin Weisz					

Total (Yes) 12 No 0

Absent Two

Floor Assignment Rep. Weller

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
January 31, 2001 7:29 a.m.

Module No: HR-17-1968
Carrier: Weller
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1314: Human Services Committee (Rep. Price, Chairman) recommends DO NOT PASS (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1314 was placed on the Eleventh order on the calendar.

2001 TESTIMONY

HB 1314

TESTIMONY ON HB 1314

TODD PORTER, STATE REPRESENTATIVE

DISTRICT 34 MANDAN

Good morning, Madam Chair and members of the House Human Services Committee.

For the record, my name is Todd Porter, State Representative from Mandan.

As you can see by the individuals present in the room, HB 1314 is a controversial piece of legislation. I am going to testify first as a non-participating provider of Blue Cross/Blue Shield of North Dakota, and secondly as a consumer of Blue Cross/Blue Shield of North Dakota.

As a non-participating provider we have determined over the years that we cannot afford to accept the amounts that BC/BS is willing to pay for an ambulance transport. Our premiums for our group plan of 25 employees went up 16% this year year with a known utilization of 27%, yet their reimbursement back to providers moved a mere 4% in the ambulance industry.

We are not like hospitals and other medical providers we provide one service, transportation of the sick and injured. Ambulance provider's staff 24/7 without any idea of utilization or schedules. Some days were busy, some days were not. The ambulance industry also has to deal with some of the highest collections in the nation with bad debt ratios of 20%. This coupled with low reimbursements from government programs like Medicaid and Medicare make it impossible to survive based upon participating schedules like the one offered from BC/BS of ND.

I have been in this career for 22 years now, 17 of those as a part owner of the local ambulance service. Over ten years ago we told the local governments that we contract with that local taxpayer subsidies were not necessary anymore. In exchange for the freedom to operate as a small business we agreed to a rate structure approved by the government entities with built in increases each year (maximum 5%).

When BC/BS of ND first approached us and wanted to sign up all ambulance providers in the state they used the previous years rates as the base for the plan. They also group all rates together and reimbursed the same rate for all Advanced Life Support base rates. We explained our rate structure and told BC/BS that we couldn't justify raising one of our existing rates over \$100.00 just to meet their contract. We asked that they adjust their emergency rates higher and bring down the reimbursement in the non-emergency area to fit our local government imposed fee schedule. We were told that they would only have one set of rates for the entire state. This point brought up another question, if you only have one rate structure then you pay us the same reimbursement as you would a service that receives local taxpayer subsidies, even though our costs to operate are higher? Their answer was we don't get involved in local government agreements. In Grand Forks the ambulance service serves an area about the same size as ours and receives in excess of \$250,000.00 in local taxpayer subsidies to operate and still receives the same reimbursement from BC/BS of ND as we would. This means that I have to make up \$250,000.00 worth of non-BC/BS business in the course of each year in a state where BC/BS writes 80% of the health premiums. I can't do it.

Recently we transported a patient by fixed wing air ambulance to Rochester Minnesota. We provided the ground transportation in Bismarck and the fixed wing air ambulance. Typically we charge around \$2000.00 less than a service out of Minnesota to provide the

