

INTERIM STUDY PROPOSAL 2021-126

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REQUESTING THE ARKANSAS LEGISLATIVE COUNCIL REFER TO THE HOUSE COMMITTEE ON INSURANCE AND COMMERCE A STUDY ON THE IMPACT OF THE FORMATION OF INSURANCE NETWORKS FOR AIR AMBULANCE AND GROUND AMBULANCE SERVICES ON CURRENT PROVIDERS, PATIENTS, AND THE ARKANSAS TRAUMA SYSTEM.

WHEREAS, in the fall of 2021, federal laws and regulations were enacted to protect consumers from unanticipated medical billing; and

WHEREAS, these laws and regulations require insurance companies to create insurance networks for air ambulances for the insurance policies that the insurance companies offer; and

WHEREAS, although the federal requirement for network providers is limited to air ambulances, some insurance companies in Arkansas are attempting to rapidly form insurance networks for ground ambulance services; and

WHEREAS, the Senate Committee on Public Health, Welfare, and Labor and the House Committee on Public Health, Welfare, and Labor recently heard testimony from ground ambulance providers regarding the precarious situation of the ground ambulance industry which includes the closing of several ambulance providers across Arkansas and the need of additional city or county tax dollars to maintain ground ambulance services in many areas; and

WHEREAS, the details of the insurance networks for ground ambulance services being established by insurance companies are unclear, including without limitation:

- (1) How insurance companies plan to follow current franchise agreements, which is how ambulance services are delivered throughout Arkansas;
- (2) Whether an insurance network for ambulance services can override an existing city's or county's franchised emergency medical services provider agreement for ambulance transportation in those areas; and
- (3) Whether an insurance company is taking into consideration the rates, fees, charges, and other criteria outlined in the Ambulance Licensing Act, § 14-266-101 et seq., for each individual franchised area when creating the insurance networks for ground ambulance services; and

1 WHEREAS, in order to protect the health and safety of the citizens of this state, the General
2 Assembly should quickly and closely examine the impacts of insurance networks on ambulance services
3 and providers in this state,
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5 NOW THEREFORE,

6 BE IT PROPOSED BY THE ARKANSAS LEGISLATIVE COUNCIL OF THE NINETY-THIRD GENERAL
7 ASSEMBLY:
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9 THAT the Arkansas Legislative Council refer to the House Committee on Insurance and
10 Commerce a study on the impact of the formation of insurance networks for air ambulance and ground
11 ambulance services on the current providers, patients, and the Arkansas trauma system, including
12 determining whether the State Insurance Department should establish network adequacy requirements
13 for ground ambulance networks.
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16 Respectfully submitted,
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20 Representative Lee Johnson
21 District 75
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25 Senator Bart Hester
26 District 1
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28 Prepared by: JMB/JMB
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