

Texas Department of Insurance

Ground Ambulance Billing Practices Report

September 2022





Ground Ambulance Billing Practices Report

by the

Texas Department of Insurance

Submitted September 2022

A handwritten signature in black ink, appearing to read "C. Brown", with a long horizontal flourish extending to the right.

Cassie Brown

Commissioner of Insurance

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This document is available online at tdi.texas.gov/reports.

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Overview

In 2021, the Texas Legislature enacted [Senate Bill 790](#) relating to county and municipal authority to balance bill for ambulance services.

The bill directed the Texas Department of Insurance (TDI) to conduct a study on ground ambulance providers' balance billing practices. The bill also allowed TDI to ask the Department of State Health Services (DSHS), which licenses ground ambulance providers in Texas, for help conducting the study.

The bill did not grant TDI statutory purview over ground ambulance providers or enforcement authority to require licensees to respond.

In developing the survey, TDI focused on the five elements of the bill:

1. Balance billing practices.
2. Price variations.
3. In-network with a health plan or out-of-network ratios.
4. Health plan network inclusion trends.
5. Factors contributing to health plan network status.

During development of the survey questions and reporting process, TDI collaborated with DSHS. DSHS subject matter experts reviewed proposed survey questions and gave feedback to improve the reporting process.

In November 2021, TDI and DSHS announced the 2019-2020 ground ambulance billing practice survey to licensed providers. Responses were initially due to TDI by February 2022. During the response period, TDI and DSHS sent additional reminders and extended the due date twice to increase the response rate. Despite these efforts, fewer than half of all providers responded. TDI still received 365 complete survey responses and 208 responses to two supplemental survey questions. The survey questions are included in the appendix.

One of Texas' largest ground ambulance providers sent a single survey response aggregating data for its regional providers. They combined data for some of the questions and declined to respond to others. We excluded their responses because it wasn't possible to separate the combined data by regional providers. They used a single instance to answer the remaining questions.

Balance billing

When a provider bills the patient for the difference between the provider's charge and the amount allowed by an insurance carrier.

Example:

- The provider charges \$100.
- The allowed amount is \$70.
- The provider balance bills the patient the remaining \$30.

Ground ambulance provider survey

Overview

When a ground ambulance is dispatched to a location, it doesn't always result in a patient transport. For example, an ambulance is sent to a car wreck but the person refuses to be transported or an ambulance is on standby at a sporting event and no injuries occur.

In 2020, survey responders reported more than 3.4 million dispatches and nearly 2.3 million patient transports.

Survey respondents ranged from rural volunteer emergency services with a handful of dispatches to large corporate services operating in multiple areas of the state.

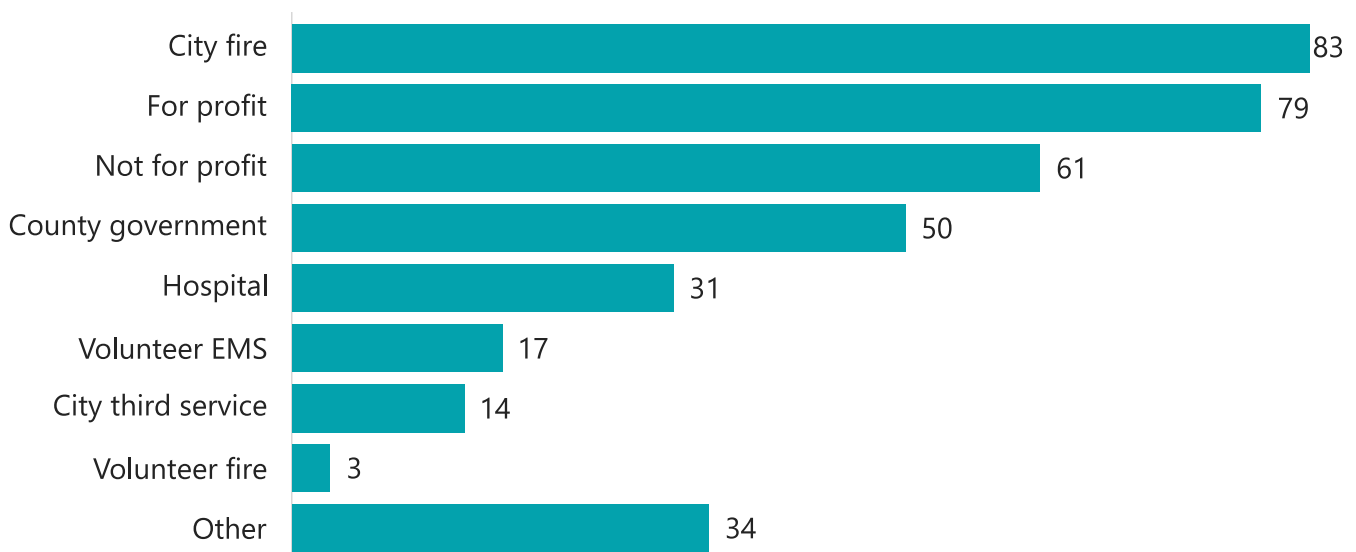
Service types

The survey asked providers to answer some basic information including their service type(s). Respondents could choose multiple answers. Those that chose "Other type of service" could write in their service type.

Write-in responses not included in the chart were:

- 911 city
- 911, mobile ICU
- 911 and interfacility transfer service
- City government / service
- City own EMS only
- Emergency services district
- Governmental entity
- Governmental entity - hospital district
- Ground only, emergency 911, mobile ICU
- Hospital district
- Hospital district, no hospital
- Nonprofit fire and EMS
- Left blank
- Local governmental entity
- Municipal
- Municipal department
- Municipal EMS
- Municipal ambulance provider
- Political subdivision
- Privately owned

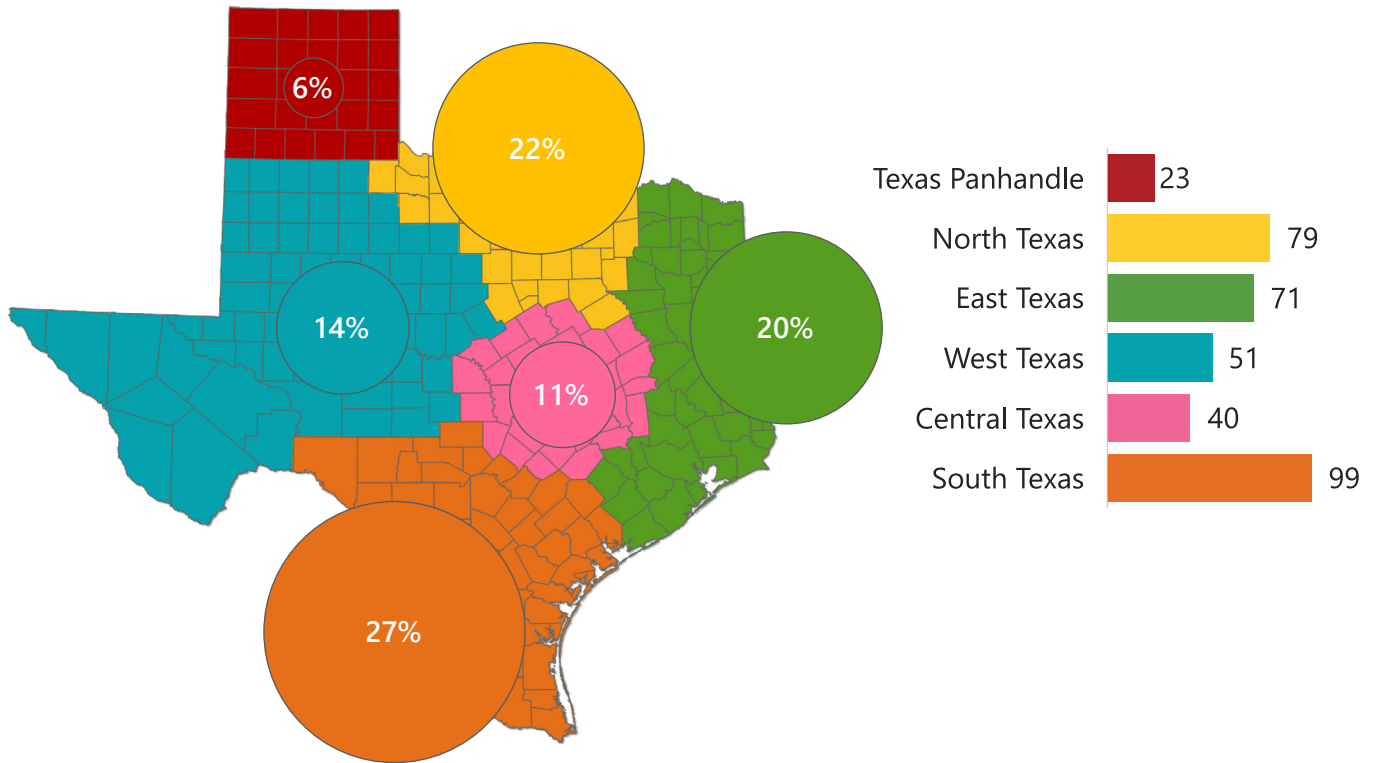
Ambulance provider types



Regions

The survey also asked about the Texas region(s) where they operate. Respondents were able to select more than one region. The graph below shows the percentage of ground ambulance providers that operate in each region.

Ground ambulance providers by region



Region	Texas Panhandle	North Texas	East Texas	West Texas	Central Texas	South Texas
Responses	23	79	71	51	40	99
Percent of all responses	6%	22%	20%	14%	11%	27%

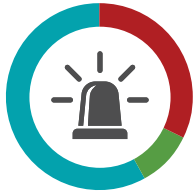
Transport types

Ground ambulance providers were also asked the types of transport they provide:

- Emergency only: life-threatening situation where immediate medical attention is needed.
- Non-emergency only: scheduled transport of a patient from one facility to another.
- Emergency and non-emergency.

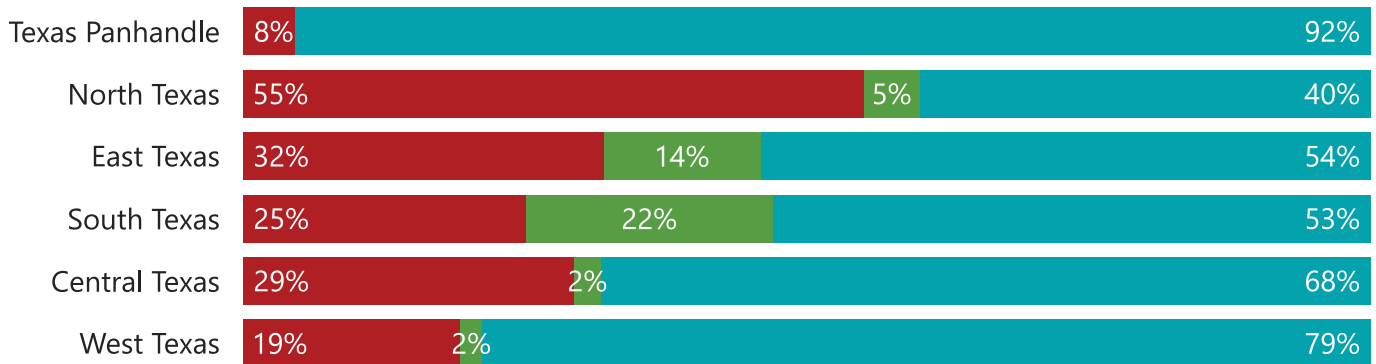
As shown by in the following chart, 90% of respondents said they perform emergency transports. Transport types are also shown by region in the second chart below.

Statewide transport types



Emergency only	115	32%
Non-emergency only	35	10%
Both	206	58%

Regional transport types



Transport type	Texas Panhandle	North Texas	East Texas	South Texas	Central Texas	West Texas
Emergency only	1	44	23	25	12	10
Non-emergency only	-	4	10	22	1	1
Both	22	32	39	53	28	41

Balance billing practices

The survey asked several questions about:

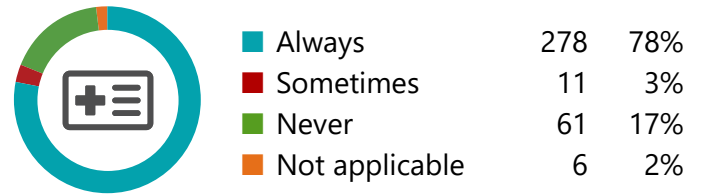
- How ground ambulance providers handle encounters with patients.
- Who is responsible for payment.
- How services are billed.

Does the provider:

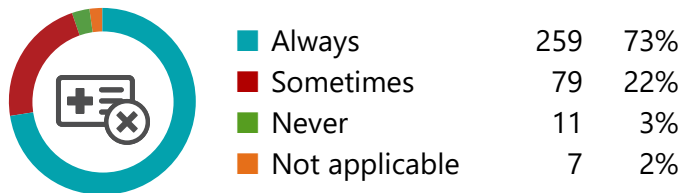
Try to identify if a patient is covered by Medicaid or Medicare before billing the patient?



Try to identify if a patient is covered by a commercial health plan before billing the patient?



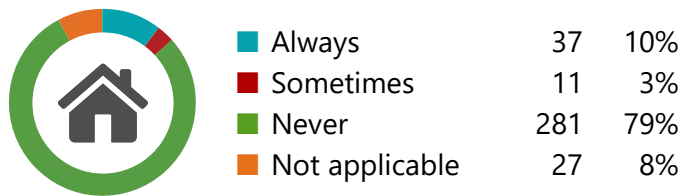
Bill patients who are uninsured?



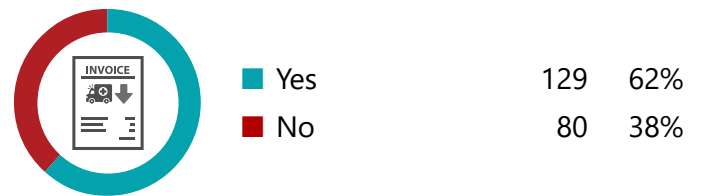
Send unpaid bills to a collection agency?



Bill a higher dollar amount to patients who are not residents of the district?*



Offer a hardship or program that writes off or pays the patient's portion of the bill?



* Because EMS services are sometimes subsidized by local taxes, some providers charge a higher rate to patients who are not residents of the service district.

Other than patient copays and coinsurance:

If a patient is covered by Medicaid or Medicare, does this provider balance bill the patient for the amount Medicaid or Medicare does not pay?



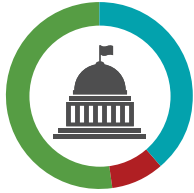
If a patient is covered by a commercial health plan, does this provider balance bill the patient for the amount that the health plan doesn't pay?



Price variations

A supplemental question to the survey asked if the rates the ambulance provider charges are regulated by a local government.

Does a local government regulate how much the provider can charge or bill for services?



Local government sets all rates	81	39%
Local government sets some rates	19	9%
Local government does not set rates	109	52%

The survey:

- Asked ground ambulance providers for the average standard charges for common billing codes associated with transporting patients.
- Provided Healthcare Common Procedure Coding System (HCPCS) codes to standardize responses.

Respondents were asked to provide data for 2019 and 2020. The following tables show the average standard charge by region, year, and the year-to-year increase for various HCPCS codes.

Non-emergency transport involving basic and advanced life support

Location	Basic life support			Advanced life support		
	2019	2020	Increase	2019	2020	Increase
Statewide	\$ 873.00	\$ 914.24	4.7%	\$ 1,066.94	\$ 1,111.74	4.2%
Texas Panhandle	744.17	754.85	1.4%	\$909.51	916.49	0.8%
North Texas	957.74	994.06	3.8%	1,151.69	1,194.64	3.7%
East Texas	897.45	911.31	1.5%	1,131.01	1,151.87	1.8%
South Texas	903.46	982.18	8.7%	1,089.75	1,151.14	5.6%
Central Texas	878.90	928.37	5.6%	1,054.05	1,126.14	6.8%
West Texas	742.58	748.49	0.8%	904.23	933.51	3.2%

Emergency transport involving basic and advanced life support

Location	Basic life support			Advanced life support		
	2019	2020	Increase	2019	2020	Increase
Statewide	\$ 971.34	\$ 1,003.89	3.4%	\$ 1,184.49	\$ 1,232.04	4.0%
Texas Panhandle	920.01	927.40	0.8%	1,113.52	1,123.99	0.9%
North Texas	1,046.82	1,069.29	2.1%	1,235.39	1,268.12	2.6%
East Texas	1,025.84	1,052.41	2.6%	1,274.05	1,356.51	6.5%
South Texas	977.64	1,037.57	6.1%	1,198.14	1,251.21	4.4%
Central Texas	923.83	938.94	1.6%	1,111.77	1,166.46	4.9%
West Texas	887.20	901.27	1.6%	1,083.57	1,097.50	1.3%

Per mile charge

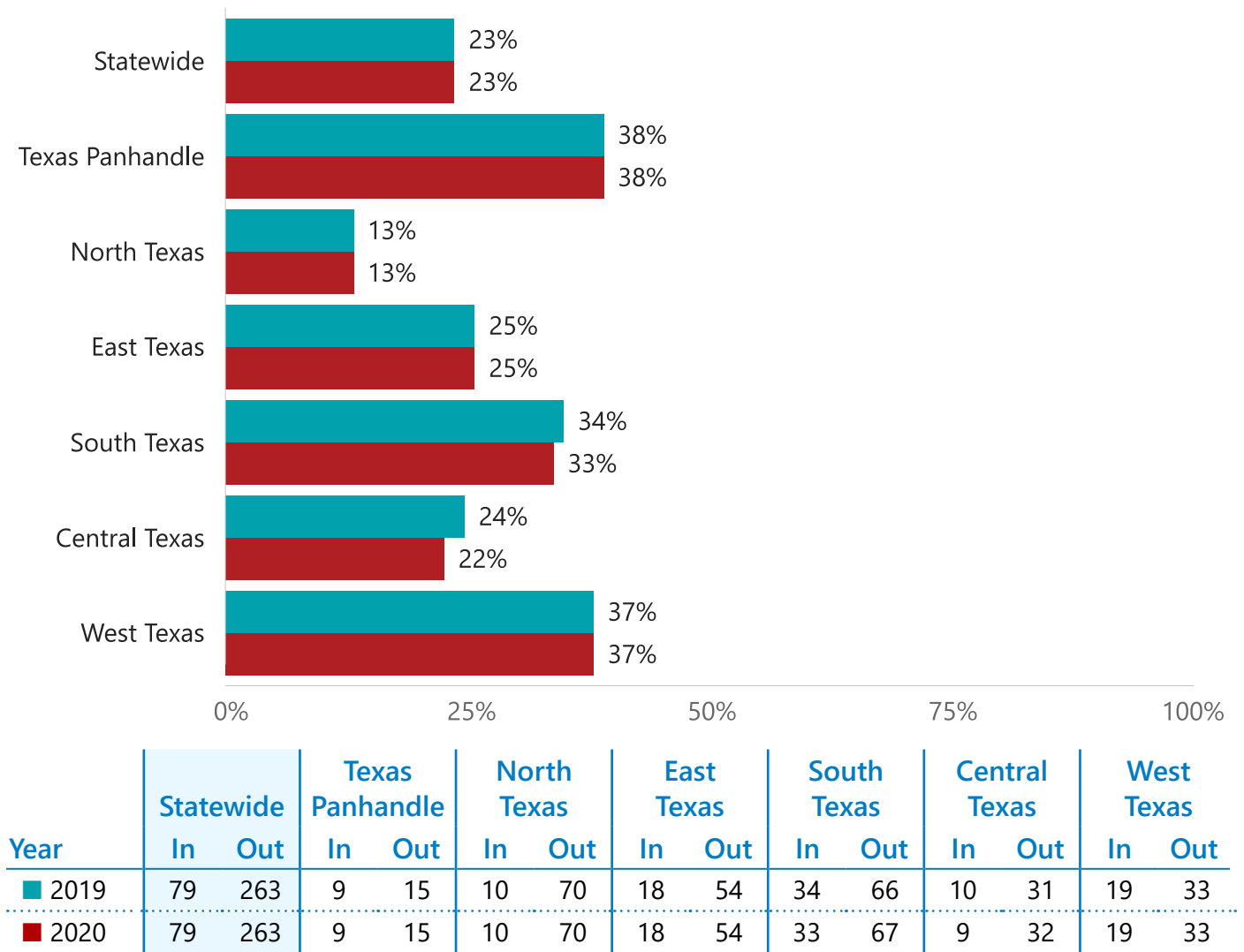
Location	2019	2020	Increase
Statewide	\$ 17.70	\$ 18.22	2.9%
Texas Panhandle	17.65	18.18	3.0%
North Texas	18.39	19.38	5.4%
East Texas	19.89	20.04	0.8%
South Texas	18.63	18.92	1.6%
Central Texas	17.07	18.10	6.0%
West Texas	17.04	17.33	1.7%

In-network vs. out-of-network ratios

Ground ambulance providers were asked if they were in-network with any commercial health plans in 2019 and 2020. In-network means they had a contract with a commercial health plan to be reimbursed for services according to an agreed rate. Respondents could select multiple regions if they operated in more than one region.

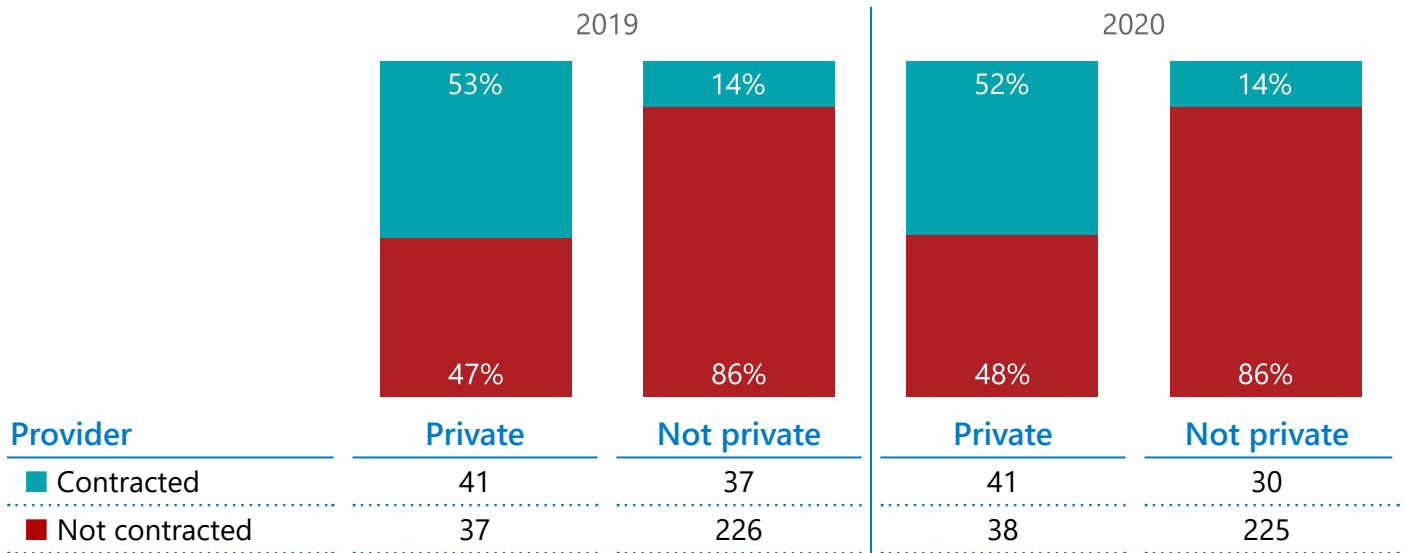
In 2019 and 2020, the statewide rate of providers that were in-network with at least one commercial health plan was 23%.

Providers with at least one in-network commercial health plan contract



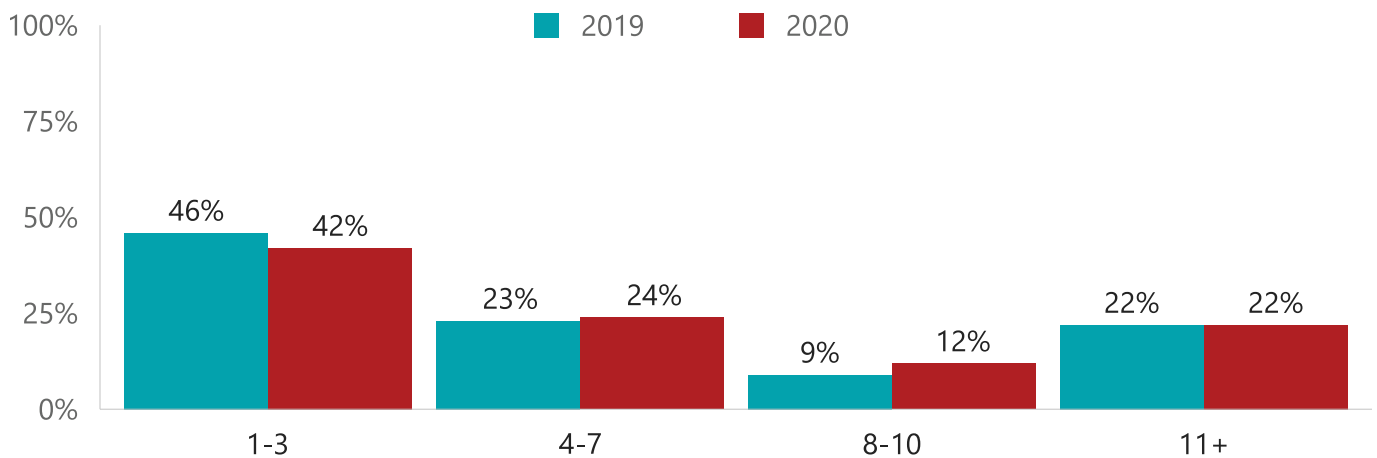
There was a clear distinction in network contracting between private (for-profit) respondents versus those that were not private. More than half of the private providers contracted with at least one commercial health plan, compared to only 14% of those that were not private.

Ground ambulance providers contracting with at least one health plan



Of ground ambulance providers that had a contract with at least one commercial health plan, there were some modest year-to-year changes in the number of those contracts. The chart below shows the number of health plans ground ambulance providers have contracted with.

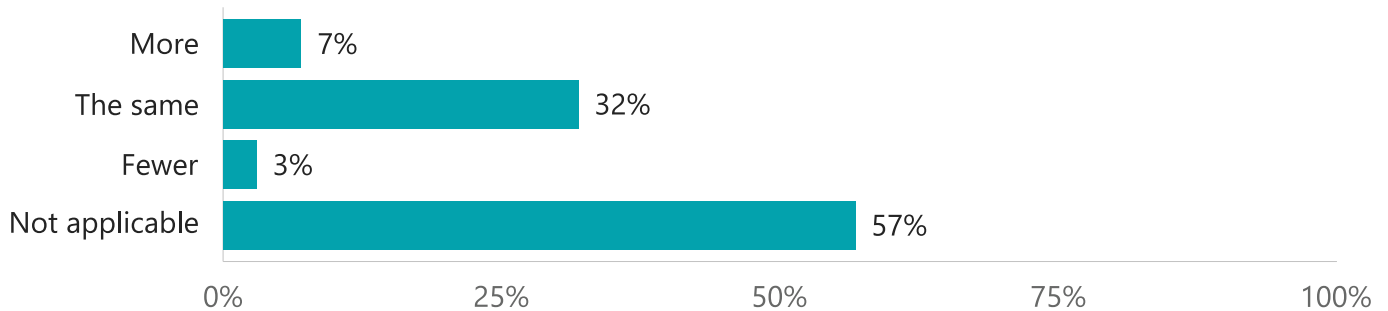
Number of commercial health plans ground ambulance services contracted with



Network trends

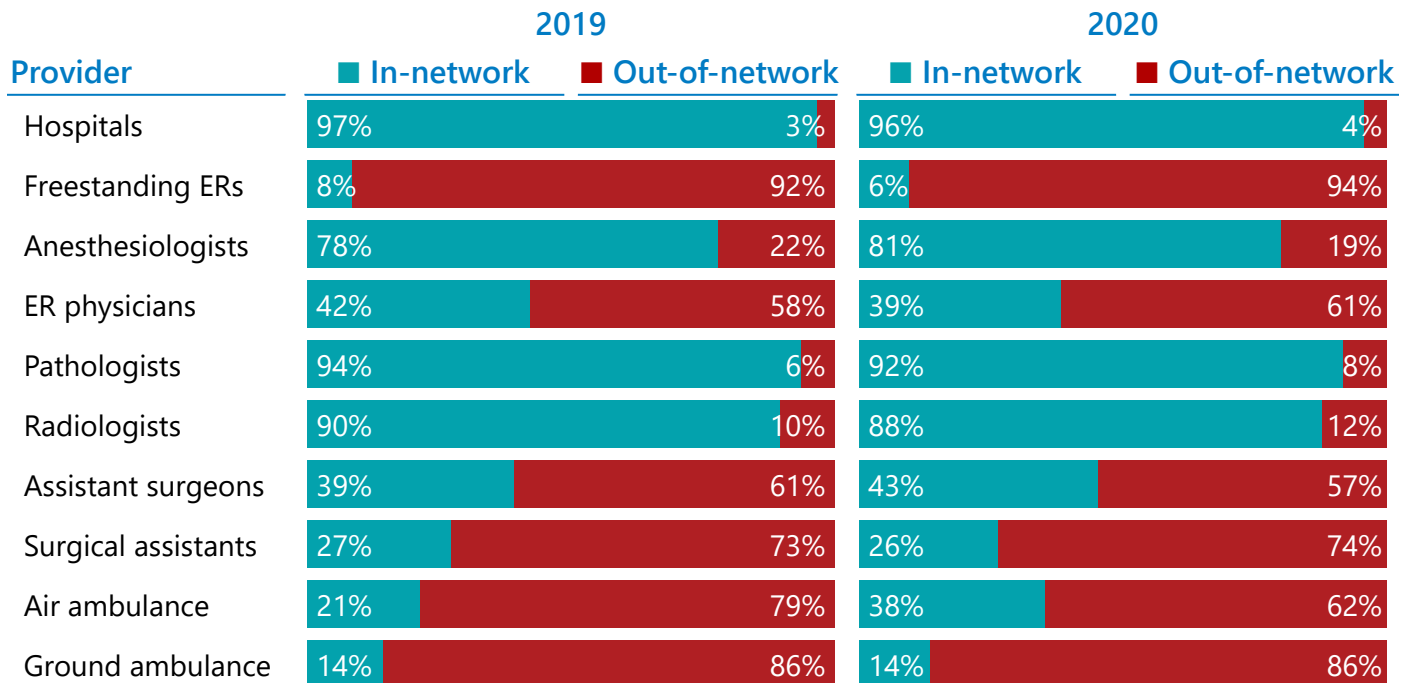
Ground ambulance providers were asked about their network contracts with health plans compared to five years ago.

Does this ambulance provider have more, fewer, or the same number of network contracts with commercial health plans than five years ago?



TDI separately collects billing data from health plan issuers (commercial insurance). The data collected covers bills submitted to health plans by different types of health care providers, including ground ambulances. As shown in the charts below, most of the amounts billed by ground ambulance providers in Texas were out-of-network.

In-network vs. out-of-network billed amounts



Factors contributing to network status

The last goal of the survey was to identify factors contributing to the network status of ground ambulance providers. To understand the top factors influencing whether a provider would or wouldn't join a commercial health plan's network, two survey questions were asked. In both questions, potential factors were presented as a list and respondents were asked to choose the most likely influencing factor.

Which factor would make this ambulance provider most likely / least likely to join a commercial health plan's network that it is not already a part of?



Most likely to join a network

■ Favorable reimbursement rates.	201	59%
■ A contract with clear, predictable terms and payment rates.	71	21%
■ Prompt payment of claims.	22	7%
■ A direct and accessible provider support system.	8	2%
■ Network contracting decisions are made by another entity and not by this provider.	39	11%



Least likely to join a network

■ Unfavorable reimbursement rates.	231	68%
■ Being bound to a contract.	29	8%
■ Time to receive full payment.	13	4%
■ Having to negotiate a contract with the health plan.	24	7%
■ Network contracting decisions are made by another entity and not by this provider.	44	13%

Appendix

1. This ambulance provider type is:

- | | |
|--|---|
| <input type="checkbox"/> County government | <input type="checkbox"/> Private (for-profit) |
| <input type="checkbox"/> City 3rd Service | <input type="checkbox"/> Volunteer EMS |
| <input type="checkbox"/> City fire | <input type="checkbox"/> Volunteer fire |
| <input type="checkbox"/> Hospital | <input type="checkbox"/> Other type of service, |
| <input type="checkbox"/> Not for profit | Explain: _____ |

2. This ambulance provider operates in the following Texas region(s):

- | | |
|--|--|
| <input type="checkbox"/> Texas Panhandle | <input type="checkbox"/> South Texas |
| <input type="checkbox"/> North Texas | <input type="checkbox"/> Central Texas |
| <input type="checkbox"/> East Texas | <input type="checkbox"/> West Texas |

3. This ambulance provider conducts the following type(s) of transports:

- Emergency only
 Non-emergency only
 Both emergency and non-emergency

4. How many total dispatches did this provider respond to in 2020?

5. How many total patients did this provider transport in 2020?

6. Does this ambulance provider bill a higher dollar amount to patients who are not residents of the district?

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Always | <input type="checkbox"/> Never |
| <input type="checkbox"/> Sometimes | <input type="checkbox"/> Not applicable |

7. Does this ambulance provider attempt to identify if a patient is covered by Medicaid or Medicare before seeking to bill the patient?

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Always | <input type="checkbox"/> Never |
| <input type="checkbox"/> Sometimes | <input type="checkbox"/> Not applicable |

8. Does this ambulance provider attempt to identify if a patient is covered by a commercial health plan (private insurance) before seeking to bill the patient?

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Always | <input type="checkbox"/> Never |
| <input type="checkbox"/> Sometimes | <input type="checkbox"/> Not applicable |

9. Does this ambulance provider bill patients who are uninsured (not covered by Medicaid, Medicare, or a commercial health plan)?

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Always | <input type="checkbox"/> Never |
| <input type="checkbox"/> Sometimes | <input type="checkbox"/> Not applicable |

10. Other than patient copays and coinsurance, if a patient is covered by Medicaid or Medicare, does this ambulance provider balance bill the patient for the amount that Medicaid or Medicare do not pay?

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Always | <input type="checkbox"/> Never |
| <input type="checkbox"/> Sometimes | <input type="checkbox"/> Not applicable |

11. Other than patient copays and coinsurance, if a patient is covered by a commercial health plan (private insurance), does this ambulance provider balance bill the patient for the amount that the health plan does not pay?

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Always | <input type="checkbox"/> Never |
| <input type="checkbox"/> Sometimes | <input type="checkbox"/> Not applicable |

12. Does this ambulance provider send unpaid bills to a third party for collection?

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Always | <input type="checkbox"/> Never |
| <input type="checkbox"/> Sometimes | <input type="checkbox"/> Not applicable |

13. What was the average standard charge for Ambulance service, advanced life support, non-emergency transport, level 1 (ALS1, HCPCS code A0426)?

2019 _____ 2020 _____

14. What was the average standard charge for Ambulance service, advanced life support, emergency transport, level 1 (ALS1-EMERGENCY, HCPCS code A0427)?

2019 _____ 2020 _____

15. What was the average standard charge for Ambulance service, basic life support, non-emergency transport (BLS, HCPCS code A0428)?

2019 _____ 2020 _____

16. What was the average standard charge for Ambulance service, basic life support, emergency transport (BLS-EMERGENCY, HCPCS code A0429)?

2019 _____ 2020 _____

17. What was the average per mile charge for ground mileage, per statute mile (HCPCS code A0425)?

2019 _____ 2020 _____

18. In 2019, was this ambulance provider in-network with any commercial health plans?

- No
 Yes – if yes, how many 1-3 4-7 8-10 11+

19. In 2020, was this ambulance provider in-network with any commercial health plans?

- No
 Yes – if yes, how many 1-3 4-7 8-10 11+

20. Does this ambulance provider have more, fewer, or the same number of network contracts with commercial health plans than it did five years ago?

- More The same
 Fewer Not applicable

21. Which one of the following factors would make this ambulance provider most likely to join a commercial health plan's network that it is not already a part of?

- Favorable reimbursement rates
 Prompt payment of claims
 A contract with clear and predictable terms and payment rates
 A direct and accessible provider support system
 Network contracting decisions are made by another entity and not by this provider

22. Which one of the following factors would make this ambulance provider least likely to join a commercial health plan's network that it is not already a part of?

- Unfavorable reimbursement rates
 Amount of time to receive full payment
 Having to negotiate a contract with the health plan
 Being bound to a contract
 Network contracting decisions are made by another entity and not by this provider

23. Does your organization offer a hardship or charity program that pays (or writes off) the patient's portion of a bill in part or in full due to indigency or hardship?

- Yes
 No

24. Does the local government (city, county, etc.) regulate the dollar amount that the organization can charge or bill for ambulance services?

- Yes
 No



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