



February 16, 2024

**ENGROSSED
HOUSE BILL No. 1385**

DIGEST OF HB 1385 (Updated February 14, 2024 12:29 pm - DI 154)

Citations Affected: IC 27-1.

Synopsis: Payment for ambulance services. Requires a health plan operator to provide payment to a nonparticipating ambulance service provider for ambulance service provided to a covered individual: (1) at a rate not to exceed the rates set or approved, by contract or ordinance, by the county or municipality in which the ambulance service originated; (2) at the rate of 400% of the published rate for ambulance services established under the Medicare law for the same ambulance service provided in the same geographic area; or (3) according to the nonparticipating ambulance provider's billed charges; whichever is less. Provides that certain payments for ambulance services do not apply to state employee health plans. Provides that if a health plan makes payment to a nonparticipating ambulance service provider in compliance with these requirements: (1) the payment shall be considered payment in full, except for any copayment, coinsurance, deductible, and other cost sharing amounts that the health plan requires the covered individual to pay; and (2) the nonparticipating ambulance
(Continued next page)

Effective: January 1, 2025.

**Barrett, Carbaugh, Snow,
Shackleford**

(SENATE SPONSORS — JOHNSON T, CHARBONNEAU, BALDWIN,
FREEMAN, WALKER K)

January 11, 2024, read first time and referred to Committee on Insurance.
January 25, 2024, reported — Do Pass.
January 29, 2024, read second time, ordered engrossed.
January 30, 2024, engrossed. Read third time, passed. Yeas 94, nays 1.

SENATE ACTION

February 5, 2024, read first time and referred to Committee on Insurance and Financial Institutions.
February 15, 2024, amended, reported favorably — Do Pass.

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Digest Continued

service provider is prohibited from billing the covered individual for any additional amount. Provides that the copayment, coinsurance, deductible, and other cost sharing amounts that a covered individual is required to pay in connection with ambulance service provided by a nonparticipating ambulance service provider shall not exceed the copayment, coinsurance, deductible, and other cost sharing amounts that the covered individual would be required to pay if the ambulance service had been provided by a participating ambulance service provider. Requires a health plan operator that receives a clean claim from a nonparticipating ambulance service provider to remit payment to the nonparticipating ambulance service provider not more than 30 days after receiving the clean claim. Provides that if a claim received by a health plan operator for ambulance service provided by a nonparticipating ambulance service provider is not a clean claim, the health plan operator, not more than 30 days after receiving the claim, shall: (1) remit payment; or (2) send a written notice that: (A) acknowledges the date of receipt of the claim; and (B) either explains why the health plan operator is declining to pay the claim or states that additional information is needed for a determination whether to pay the claim. Repeals the requirement that a health plan operator negotiate rates and terms with any ambulance service provider willing to become a participating provider, but retains the requirement that the state negotiate rates and terms with any ambulance service provider willing to become a participating provider. Repeals the requirement that the department of insurance, not later than May 1, 2024, submit a report concerning these negotiations.

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February 16, 2024

Second Regular Session of the 123rd General Assembly (2024)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2023 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1385

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 27-1-2.3-0.5 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JANUARY 1, 2025]: **Sec. 0.5. This chapter does not**
4 **apply to ambulance services owned or operated by a health system**
5 **(as defined in IC 16-18-2-168.5).**

6 SECTION 2. IC 27-1-2.3-2.8 IS ADDED TO THE INDIANA
7 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
8 [EFFECTIVE JANUARY 1, 2025]: **Sec. 2.8. As used in this chapter,**
9 **"clean claim" means a claim for payment for ambulance service:**
10 **(1) that is submitted to a health plan by an ambulance service**
11 **provider; and**
12 **(2) about which there is no defect, impropriety, or particular**
13 **circumstance requiring special treatment that may prevent or**
14 **delay payment.**

15 SECTION 3. IC 27-1-2.3-4, AS ADDED BY P.L.170-2022,
16 SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 JANUARY 1, 2025]: **Sec. 4. (a)** As used in this chapter, "health plan"

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1 means **any either** of the following:

2 ~~(1) A self-insurance program established under IC 5-10-8-7(b) to~~
3 ~~provide group coverage.~~

4 ~~(2) A prepaid health care delivery plan through which health~~
5 ~~services are provided under IC 5-10-8-7(c).~~

6 ~~(3) (1) A policy of accident and sickness insurance as defined in~~
7 ~~IC 27-8-5-1, but not including any insurance, plan, or policy set~~
8 ~~forth in IC 27-8-5-2.5(a).~~

9 ~~(4) (2) An individual contract (as defined in IC 27-13-1-21) or a~~
10 ~~group contract (as defined in IC 27-13-1-16) with a health~~
11 ~~maintenance organization that provides coverage for basic health~~
12 ~~care services (as defined in IC 27-13-1-4).~~

13 **(b) The term does not include the state employee health plan.**

14 SECTION 4. IC 27-1-2.3-5, AS ADDED BY P.L.170-2022,
15 SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JANUARY 1, 2025]: Sec. 5. As used in this chapter, "health plan
17 operator" means the following:

18 ~~(1) In the case of a health plan described in section 4(1) or 4(2) of~~
19 ~~this chapter, the state of Indiana:~~

20 ~~(2) (1) In the case of a health plan described in section 4(3)~~
21 ~~4(a)(1) of this chapter, the insurer that issued the policy.~~

22 ~~(3) (2) In the case of a health plan described in section 4(4)~~
23 ~~4(a)(2) of this chapter, the health maintenance organization that~~
24 ~~entered into the contract.~~

25 SECTION 5. IC 27-1-2.3-7.5 IS ADDED TO THE INDIANA
26 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
27 [EFFECTIVE JANUARY 1, 2025]: **Sec. 7.5. As used in this chapter,**
28 **"state employee health plan" means either of the following:**

29 **(1) A self-insurance program established under IC 5-10-8-7(b)**
30 **to provide group coverage.**

31 **(2) A prepaid health care delivery plan through which health**
32 **services are provided under IC 5-10-8-7(c).**

33 SECTION 6. IC 27-1-2.3-8, AS AMENDED BY P.L.92-2023,
34 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
35 JANUARY 1, 2025]: Sec. 8. (a) ~~A health plan operator~~ **The state** shall
36 fairly negotiate rates and terms with any ambulance service provider
37 willing to become a participating provider with respect to the **state**
38 **employee health plan.**

39 (b) In negotiations under subsection (a), ~~a~~ **the state employee**
40 **health plan** must consider all of the following:

41 (1) The ambulance service provider's usual and customary rates.

42 (2) The ambulance service provider's resources, and whether the



- 1 ambulance service provider's staff is available twenty-four (24)
 2 hours per day every day.
- 3 (3) The average wages and fuel costs in the geographical area in
 4 which the ambulance service provider operates.
- 5 (4) The number of times in which individuals covered by the **state**
 6 **employee** health plan have sought ambulance service from the
 7 ambulance service provider but the ambulance service provider's
 8 response was canceled or did not result in a transport.
- 9 (5) The local ordinances and state rules concerning staffing,
 10 response times, and equipment under which the ambulance
 11 service provider must operate.
- 12 (6) The types of requests for ambulance service for individuals
 13 covered by the **state employee** health plan that the ambulance
 14 service provider generally receives, and the requesting party or
 15 agency by which those requests are generally made.
- 16 (7) The average reimbursement rate per level of service that the
 17 ambulance service provider generally receives as a
 18 nonparticipating provider.
- 19 (8) The specific:
- 20 (A) clinical and staff capabilities; and
 21 (B) equipment resources;
- 22 that an ambulance service provider must have to adequately meet
 23 the needs of individuals covered by the **state employee** health
 24 plan, such as for the transportation of ~~covered~~ individuals
 25 **covered by the state employee health plan** from one (1) hospital
 26 to another after traumatic injury.
- 27 (9) The average transport cost data reported to the office of the
 28 secretary of family and social services by governmental
 29 ambulance service providers located within the counties, and
 30 contiguous counties, that the nonparticipating ambulance service
 31 provider serves.
- 32 (c) If negotiations between an ambulance service provider and a
 33 health plan operator under this section that occur after June 30, 2022,
 34 do not result in the ambulance service provider becoming a
 35 participating provider with respect to the health plan, each party shall
 36 provide to the department a written notice:
- 37 (1) reporting that negotiations between the ambulance service
 38 provider and the health plan operator did not result in the
 39 ambulance service provider becoming a participating provider
 40 with respect to the health plan; and
 41 (2) stating the points on which agreement between the ambulance
 42 service provider and the health plan operator was necessary for



1 the ambulance service provider to become a participating
2 provider with respect to the health plan:

- 3 (A) that were discussed in the negotiations between the
4 ambulance service provider and the health plan operator; but
5 (B) on which the ambulance service provider and the health
6 plan operator did not reach agreement.

7 SECTION 7. IC 27-1-2.3-8.1 IS ADDED TO THE INDIANA
8 CODE AS A NEW SECTION TO READ AS FOLLOWS
9 [EFFECTIVE JANUARY 1, 2025]: **Sec. 8.1. A health plan operator
10 shall provide payment to a nonparticipating ambulance service
11 provider for ambulance service provided to a covered individual:**

- 12 (1) at a rate set or approved, by contract or ordinance, by the
13 county or municipality in which the ambulance service
14 originated;
15 (2) at the rate of four hundred percent (400%) of the current
16 published rate for ambulance service as established by the
17 Centers for Medicare and Medicaid Services under Title
18 XVIII of the federal Social Security Act (42 U.S.C. 1395 et
19 seq.) for the same ambulance service provided in the same
20 geographic area; or
21 (3) according to the nonparticipating ambulance service
22 provider's billed charges;

23 **whichever is less.**

24 SECTION 8. IC 27-1-2.3-8.2 IS ADDED TO THE INDIANA
25 CODE AS A NEW SECTION TO READ AS FOLLOWS
26 [EFFECTIVE JANUARY 1, 2025]: **Sec. 8.2. (a) If a health plan
27 makes payment to a nonparticipating ambulance service provider
28 according to section 8.1(a) or 8.1(b) of this chapter for ambulance
29 service provided to a covered individual:**

- 30 (1) the payment shall be considered payment in full for the
31 ambulance service provided, except for any copayment,
32 coinsurance, deductible, and other cost sharing amounts that
33 the health plan requires the covered individual to pay; and
34 (2) the nonparticipating ambulance service provider is
35 prohibited from billing the covered individual for any
36 additional amount for the ambulance service provided.

37 (b) The copayment, coinsurance, deductible, and other cost
38 sharing amounts that a health plan requires a covered individual
39 to pay in connection with ambulance service provided to the
40 covered individual by a nonparticipating ambulance service
41 provider shall not exceed the copayment, coinsurance, deductible,
42 and other cost sharing amounts that the covered individual would



1 be required to pay if the ambulance service had been provided to
2 the covered individual by a participating ambulance service
3 provider.

4 SECTION 9. IC 27-1-2.3-8.3 IS ADDED TO THE INDIANA
5 CODE AS A NEW SECTION TO READ AS FOLLOWS
6 [EFFECTIVE JANUARY 1, 2025]: Sec. 8.3. (a) A health plan
7 operator that receives a clean claim for ambulance service
8 provided to a covered individual by a nonparticipating ambulance
9 service provider:

10 (1) shall remit payment for the ambulance service directly to
11 the nonparticipating ambulance service provider not more
12 than thirty (30) days after receiving the clean claim; and

13 (2) shall not send payment to the covered individual.

14 (b) If a claim that a health plan operator receives for ambulance
15 service provided to a covered individual by a nonparticipating
16 ambulance service provider is not a clean claim, the health plan
17 operator, not more than thirty (30) days after receiving the claim,
18 shall:

19 (1) remit payment for the ambulance service directly to the
20 nonparticipating ambulance service provider; or

21 (2) send to the nonparticipating ambulance service provider
22 a written notice that:

23 (A) acknowledges the date of the receipt of the claim; and

24 (B) either:

25 (i) states that the health plan operator is declining to pay
26 all or part of the claim and sets forth the specific reason
27 or reasons for declining to pay the claim in full; or

28 (ii) states that additional information is needed to
29 determine whether all or part of the claim is payable and
30 specifically describes the additional information that is
31 needed.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Insurance, to which was referred House Bill 1385, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1385 as introduced.)

CARBAUGH

Committee Vote: Yeas 11, Nays 1

COMMITTEE REPORT

Madam President: The Senate Committee on Insurance and Financial Institutions, to which was referred House Bill No. 1385, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Replace the effective date in SECTION 1 with "[EFFECTIVE JANUARY 1, 2025]".

Replace the effective dates in SECTIONS 4 through 5 with "[EFFECTIVE JANUARY 1, 2025]".

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 27-1-2.3-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025]: **Sec. 0.5. This chapter does not apply to ambulance services owned or operated by a health system (as defined in IC 16-18-2-168.5).**".

Page 1, delete lines 10 through 17, begin a new paragraph and insert:

"SECTION 3. IC 27-1-2.3-4, AS ADDED BY P.L.170-2022, SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025]: Sec. 4. **(a)** As used in this chapter, "health plan" means **any either** of the following:

(1) ~~A self-insurance program established under IC 5-10-8-7(b) to provide group coverage.~~

(2) ~~A prepaid health care delivery plan through which health services are provided under IC 5-10-8-7(c).~~

(3) **(1)** A policy of accident and sickness insurance as defined in IC 27-8-5-1, but not including any insurance, plan, or policy set



forth in IC 27-8-5-2.5(a).

~~(4)~~ **(2)** An individual contract (as defined in IC 27-13-1-21) or a group contract (as defined in IC 27-13-1-16) with a health maintenance organization that provides coverage for basic health care services (as defined in IC 27-13-1-4).

(b) The term does not include the state employee health plan.

SECTION 4. IC 27-1-2.3-5, AS ADDED BY P.L.170-2022, SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025]: Sec. 5. As used in this chapter, "health plan operator" means the following:

~~(1) In the case of a health plan described in section 4(1) or 4(2) of this chapter, the state of Indiana.~~

~~(2)~~ **(1)** In the case of a health plan described in section ~~4(3)~~ **4(a)(1)** of this chapter, the insurer that issued the policy.

~~(3)~~ **(2)** In the case of a health plan described in section ~~4(4)~~ **4(a)(2)** of this chapter, the health maintenance organization that entered into the contract.

SECTION 5. IC 27-1-2.3-7.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025]: Sec. 7.5. As used in this chapter, "state employee health plan" means either of the following:

(1) A self-insurance program established under IC 5-10-8-7(b) to provide group coverage.

(2) A prepaid health care delivery plan through which health services are provided under IC 5-10-8-7(c).

SECTION 6. IC 27-1-2.3-8, AS AMENDED BY P.L.92-2023, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025]: Sec. 8. (a) ~~A health plan operator~~ **The state** shall fairly negotiate rates and terms with any ambulance service provider willing to become a participating provider with respect to the **state employee health plan**.

(b) In negotiations under subsection (a), ~~a~~ **the state employee health plan** must consider all of the following:

(1) The ambulance service provider's usual and customary rates.

(2) The ambulance service provider's resources, and whether the ambulance service provider's staff is available twenty-four (24) hours per day every day.

(3) The average wages and fuel costs in the geographical area in which the ambulance service provider operates.

(4) The number of times in which individuals covered by the **state employee health plan** have sought ambulance service from the ambulance service provider but the ambulance service provider's



response was canceled or did not result in a transport.

(5) The local ordinances and state rules concerning staffing, response times, and equipment under which the ambulance service provider must operate.

(6) The types of requests for ambulance service for individuals covered by the **state employee** health plan that the ambulance service provider generally receives, and the requesting party or agency by which those requests are generally made.

(7) The average reimbursement rate per level of service that the ambulance service provider generally receives as a nonparticipating provider.

(8) The specific:

(A) clinical and staff capabilities; and

(B) equipment resources;

that an ambulance service provider must have to adequately meet the needs of individuals covered by the **state employee** health plan, such as for the transportation of ~~covered~~ **covered by the state employee health plan** from one (1) hospital to another after traumatic injury.

(9) The average transport cost data reported to the office of the secretary of family and social services by governmental ambulance service providers located within the counties, and contiguous counties, that the nonparticipating ambulance service provider serves.

(c) If negotiations between an ambulance service provider and a health plan operator under this section that occur after June 30, 2022, do not result in the ambulance service provider becoming a participating provider with respect to the health plan, each party shall provide to the department a written notice:

(1) reporting that negotiations between the ambulance service provider and the health plan operator did not result in the ambulance service provider becoming a participating provider with respect to the health plan; and

(2) stating the points on which agreement between the ambulance service provider and the health plan operator was necessary for the ambulance service provider to become a participating provider with respect to the health plan:

(A) that were discussed in the negotiations between the ambulance service provider and the health plan operator; but

(B) on which the ambulance service provider and the health plan operator did not reach agreement."

Delete page 2.



Page 3, delete lines 1 through 26, begin a new paragraph and insert:
"SECTION 7. IC 27-1-2.3-8.1 IS ADDED TO THE INDIANA
CODE AS A **NEW** SECTION TO READ AS FOLLOWS
[EFFECTIVE JANUARY 1, 2025]: **Sec. 8.1. A health plan operator
shall provide payment to a nonparticipating ambulance service
provider for ambulance service provided to a covered individual:**
**(1) at a rate set or approved, by contract or ordinance, by the
county or municipality in which the ambulance service
originated;**
**(2) at the rate of four hundred percent (400%) of the current
published rate for ambulance service as established by the
Centers for Medicare and Medicaid Services under Title
XVIII of the federal Social Security Act (42 U.S.C. 1395 et
seq.) for the same ambulance service provided in the same
geographic area; or**
**(3) according to the nonparticipating ambulance service
provider's billed charges;**
whichever is less."

Page 4, delete lines 35 through 42.

Delete page 5.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1385 as printed January 25, 2024.)

BALDWIN, Chairperson

Committee Vote: Yeas 7, Nays 1.

