

Myths & Realities

Myths & Realities: MAHP and Blue Cross Blue Shield are Twisting the Truth in their Efforts to Shift Costs from Insurance Companies onto Local Taxpayers!

Myth #1

Since Blue Cross Blue Shield of Massachusetts enacted its policy last fall, **the Division of Insurance (Division) has taken the position that municipally owned and operated ambulance service providers would be excluded from such policies and has required that they continue to be reimbursed as they currently are today.** This position by the Division would provide protection to cities and towns that operate their own ambulance providers.

-Massachusetts Association of Health Plans letter to Speaker Robert DeLeo dated April 27, 2011

Reality #1

This statement highlighted in bold and underline by MAHP is absolutely FALSE. The Division of Insurance has NOT required this protection and does not have any authority to do so. This fact has been verified by the Division of Insurance and is public record.

Myth #2

Amendment 745 (Now H.863) would allow the provider or municipality to set the rate without any limit on the amount that could be charged.

-Massachusetts Association of Health Plans letter to Speaker Robert DeLeo dated April 27, 2011

Reality #2

This statement is absolutely FALSE. The proposed legislation would NOT allow a “provider” to set any rate. Municipalities would set rates for emergency ambulance service NOT providers. Municipalities are by far in the best position to establish rates for emergency ambulance service as they know the true cost of providing EMS in their jurisdiction, would be required to establish rates through an open and public process, and are equally incentivized to control the cost of health insurance premiums.

Myth #3

Finally, the amendment would undercut the provision included in Chapter 288 of the Acts of 2010, requiring that products with tiered and limited provider networks be available so that employers and consumers have access to lower cost coverage options.

-Massachusetts Association of Health Plans letter to Speaker Robert DeLeo dated April 27, 2011

Reality #3

This policy cannot possibly work for emergency ambulance service. To suggest that patients in an emergency situation should consider what “tier” the EMS provider is in before they access 9-1-1 in an emergency is not practical. Moreover, it is illegal and dangerous for a health insurance company to require a patient who needs emergency ambulance service to do anything other than call 9-1-1. Health insurers must not be allowed to require patients who need EMS to think about what “tier” their local EMS provider in a medical emergency.

Myth #4

In a flyer entitled “The Facts About Amendment 745 (Now H.863) Ambulance Service Providers Position: Oppose”, the MAHP “provides examples of the rates charged by non-participating ambulance service providers compared to rates paid by Medicare and MassHealth.” The chart lists examples comparing Non-Emergency rates.

Reality #4

This chart is another disingenuous attempt to support their position with a chart of non-emergency rates when the proposed legislation applies to EMERGENCY SERVICES ONLY. It is clear that MAHP is attempting to influence policy with misinformation that is not at all applicable to the proposed legislation to protect EMERGENCY SERVICES ONLY.

Myth #5

Murray, the Blue Cross spokeswoman, said it’s true the pay-subscriber program is intended as an incentive to join the Blue Cross network. Paying the subscriber directly is a tool we’ve used previously, and are using in this case to incent all ambulance providers regardless of their affiliation with a city or town (emphasis added) – to join our network at fair and reasonable rates,” Murray said.

-Rep. James Cantwell of Marshfield says Blue Cross ‘bullying’ cities, towns; Patriot Ledger, April 26, 2011

Reality #5

The rhetoric of Blue Cross and the health insurance companies that they will “hold municipalities harmless” is truly what “rings hollow”. It is clear that their intention is to eventually apply this policy of paying patients and shifting the cost for EMS on to the municipalities and taxpayers is clear. Moreover, Blue Cross representatives have stated in a meeting with legislators that they are currently only “delaying” implementation of this policy as it relates to municipalities. Section 92 would now make their intention a reality.

Myth #6

The state's largest insurer has adopted a policy that requires ambulance providers to join a network and agree to pre-determined rates, to avoid the kind of outrageous disparities that have become the norm (as in, \$6,750 for a 103-mile, hospital-to-hospital transport).

-Alarm Rings Hollow, Boston Herald Editorial Staff, Wednesday April 27, 2011

To prove that point, McQuaide forwarded a patient invoice that showed an August ambulance ride from Lowell General Hospital to Tufts Medical Center billed at \$4,415.

-Insurers: Lawmakers May Snuff Out Ambulance Industry Cost Control, State House News, October 5, 2010

Reality #6

These statements are continuing attempts by the health insurance industry to mislead the public and the legislature. These cited examples are non-emergency ambulance services that are not covered by the proposed legislation. The proposed legislation to Protect EMS APPLIES TO EMERGENCY AMBULANCE SERVICES ONLY.