

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Safeguard individual liberty--- The bill increases the direct payment options available to a health insurance policyholder by allowing the policyholder to authorize direct payment for services to ambulance service providers.

B. EFFECT OF PROPOSED CHANGES:

BACKGROUND

Direct Payment of Benefits

Currently, the law permits any health insurance policy to provide for direct payment to any recognized hospital, doctor, or other person who provided the medical services.¹

Additionally, unless the contract provides otherwise, when an insured specifically authorizes payment of benefits directly to any recognized hospital, physician, or dentist, the insurer must pay the designated provider.²

Moreover, the insurance contract may not prohibit, and claims forms must provide an option for the payment of benefits directly to a licensed hospital, physician, or dentist for care provided pursuant to section 395.1041, Florida Statutes.³ This section outlines access to emergency services and care.

Insurers are allowed to require insureds to attest in writing to an assignment of benefits.⁴ When the insurer pays the provider directly, the insurer may not pay the provider any more than the insurer would have paid if the insured had not made the assignment.⁵

PROPOSED CHANGES

The bill amends sections 627.738(1) and (2), Florida Statutes. The primary effect of the changes is to provide for direct payment to ambulance services providers. The bill adds any recognized ambulance services provider to the list of providers in section 627.638(1), Florida Statutes, for whom a policy may provide for direct payment. Additionally, the bill provides that the term "ambulance services provider" should be added to the insurance policy as appropriate.

Furthermore, the bill amends section 627.638(2), Florida Statutes, to provide that unless the insurance contract prohibits it, an insurer must pay any recognized ambulance services provider when the insured specifically authorizes such payment.

Additionally, the bill requires direct payment in a certain class of ambulance service cases. Where an ambulance services provider licensed pursuant to chapter 401 (Medical Telecommunications and Transportation) has provided transportation or treatment, the insurance contract may not prohibit direct payment, and claims forms must provide an option for direct payment to such a provider.

¹ Section 627.638(1), F.S.

² Section 627.638(2), F.S.

³ Id.

⁴ Id.

⁵ Id.

C. SECTION DIRECTORY:

Section 1: Amends section 627.738, Florida Statutes; provides for direct payment of benefits to ambulance service providers.

Section 2: States effective date of July 1, 2007.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not require counties or municipalities to spend funds or to take any action requiring the expenditure of funds; reduce the authority that municipalities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

D. STATEMENT OF THE SPONSOR:

Although the staff analysis indicates that there will not be a direct fiscal impact on local government, this bill would increase third party payment collections that are due to local EMS providers, thereby potentially reducing the level of subsidization required by local governments.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES