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Title 28@ Managed Health Care

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Division 1@ The Department of Managed Health Care

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Chapter 2@ Health Care Service Plans

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Article 1@ Exemptions

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Section 1300.43.3@ Ambulance Plans: Conditional Exemption

1300.43.3 Ambulance Plans: Conditional Exemption

(a)

Definitions. For the purposes of this section: (1) "Ground ambulance services" means the emergency, including advanced life support services, and non-emergency transportation of an enrollee by an individual licensed pursuant to Articles 1 and 2 of Chapter 2.5 of Division 2 of the Vehicle Code where health care services are provided to an enrollee for the duration of such transportation. (2) "Air ambulance services" means the emergency, including advanced life support services, and non-emergency transportation of an enrollee by legally authorized air ambulance where health care services are provided to the enrollee for the duration of such transportation.

(1)

"Ground ambulance services" means the emergency, including advanced life support services, and non-emergency transportation of an enrollee by an individual licensed pursuant to Articles 1 and 2 of Chapter 2.5 of Division 2 of the Vehicle Code where health care services are provided to an enrollee for the duration of such transportation.

(2)

"Air ambulance services" means the emergency, including advanced life support services, and non-emergency transportation of an enrollee by legally authorized air ambulance where health care services are provided to the enrollee for the duration of such transportation.

(b)

A health care service plan which lawfully operates air and/or ground ambulances and provides pursuant to a plan contract only air and/or ground ambulance services to subscribers and enrollees in ambulances owned or leased by it and operated by its employees (hereinafter "Ambulance Plan") is exempted from all provisions of the Knox-Keene Health Care Service Plan Act of 1975 (Health and Safety Code section 1340 et seq.) except those provisions specified herein, and subject to the condition that the Ambulance Plan complies with each of the following requirements: (1) Every Ambulance Plan shall directly provide ground and/or air ambulance services for its enrollees throughout the Ambulance Plan's service area exclusively in ambulances owned or leased by it and operated by its employees. (2) At the time of initial enrollment or renewal, every plan contract between an Ambulance Plan and a group or individual subscriber, and every disclosure form, evidence of coverage or plan brochure shall prominently display as a separate article the following legend, in boldface type and font size not smaller than the font size used in the general body of the document, either on the first page or on another page if referenced as "See Important Notices on Page [insert page number] Prior to Purchase" in boldface type and font size not smaller than the font size used in the general body of the document on the front page: (A) "BEFORE YOU PURCHASE: If you are currently enrolled in a health maintenance organization (HMO) or other health insurance, the benefits provided by an Ambulance Plan may duplicate the benefits provided by your HMO or other health insurance. If you have a question regarding whether your HMO or other health insurance offers benefits for ambulance services, you should contact that other company directly." (B) "WARNING: This Ambulance Plan is not an insurance program. It will not compensate or reimburse another ambulance company that

provides emergency transportation to you or your family. This may occur when the 911 Emergency System has independently determined that another company could provide more expeditious service or is next in the rotation to receive a call. This might also occur when this Ambulance Plan is unable to perform within a medically appropriate timeframe due to a mechanical or maintenance problem or being on another call." Immediately following this warning, the Ambulance Plan shall include the words, "sign or initial here," and include a line for the subscriber's signature or initials. (C) "COMPLAINTS: For complaints regarding this Ambulance Plan, first attempt to call the plan at [plan's toll-free telephone number]. If the Ambulance Plan fails to resolve the complaint to your satisfaction, contact the Department of Managed Health Care at 1-888-466-2219. The Department's website is <http://www.healthhelp.ca.gov>. You may obtain complaint forms and instructions online." (D) "OPERATING UNDER CONDITIONAL EXEMPTION: This Ambulance Plan is operating pursuant to an exemption from the Knox-Keene Health Care Service Plan Act of 1975 (Health and Safety Code section 1340 et seq.)." The Ambulance Plan may amend the wording of the legend to use its name and personal pronouns. (3) Ambulance Plans that fail to comply with all of subsection (b)(2), including obtaining the signature or initials of subscribers next to or under the "WARNING" statement, shall be responsible for paying, reimbursing, or covering the enrollee's cost for ambulance transportation services provided by another ambulance company, less any compensation received from the subscriber's HMO, health insurer, or managed care organization, if any, and less any applicable overall annual deductible or any co-payment. (4) An Ambulance Plan shall operate in compliance with the requirements of each local emergency medical services agency (Health and Safety Code section 1797.94) that regulates emergency services in any portion of the plan's service area and

that has developed an emergency medical services plan (Health and Safety Code section 1797.76) for an emergency medical services system (Health and Safety Code section 1797.78), implemented pursuant to the authority granted in Health and Safety Code section 1797.105(b). (5) Ambulance Plan shall offer or sell plan contracts only to or for persons who do not live or work in the plan's service area, or to or for persons who will be in the plan's service area for a temporary period of time and for an activity covered by the Ambulance Plan, as specified in the Ambulance Plan contract. Ambulance Plans must clearly disclose that services are only available or provided within the ambulance plan's service area. Every Ambulance Plan shall comply with the following sections of the Health and Safety Code: 1360, 1363.1, 1365(a), 1365.5, 1366, subsections (a), (b), (c), (d), (e)(1), (f), (g), and (h)(1) of section 1367, 1368, 1368.01, 1368.02(b), 1373(a), 1379, 1381, subsections (a), (d), and (f) of 1384, and 1385, except that approval by the Department under section 1368(a)(1) is waived. (6) Every Ambulance Plan shall maintain a procedure whereby enrollees, or authorized persons on their behalf, may submit grievances to the plan and in each case receive from the plan a written acknowledgement within five days of receipt of the grievance and a written response sent within 30 days of receipt of the grievance indicating what the plan will do to resolve the grievance. Both the acknowledgement and the response shall include a notice that the enrollee may contact the Department of Managed Health Care through the Department's toll-free telephone number after the grievance has been pending with the plan for at least 30 days. (7) No Ambulance Plan contract shall require, nor shall the Ambulance Plan or any contracting provider collect, a co-payment of greater than 50 percent of an ambulance or other emergency care provider's negotiated fee-for-service rate pursuant to a contract with the ambulance service, or, in the absence of such a

contract, 50 percent of the ambulance company's usual, customary, and reasonable rate (within the meaning of Business and Professions Code section 657(c)) for the particular service, or \$500, whichever amount is less. An Ambulance Plan that does not impose any co-payments may impose an overall annual deductible of a specified dollar amount applicable to all covered services, provided that the deductible for an enrollee shall not exceed: (A) 200 percent of the amount of prepaid or periodic charge for one year for the enrollee; or (B) 200 percent of the amount of prepaid or periodic charge for one year for the family, whichever is less. (8) Every Ambulance Plan operating ground or air ambulances shall: (A) If operating a ground ambulance, provide proof to the Director upon request that the Ambulance Plan currently complies with Articles 1 and 2 of Chapter 2.5 of Division 2 of the California Vehicle Code, including but not limited to license and certification requirements, and with professionally recognized standards of patient care and safety in emergency medical services and transport. (B) If operating an air ambulance, provide proof to the Director upon request that the Ambulance Plan currently complies with regulations established by the Federal Aviation Administration and with professionally recognized standards of patient care and safety in emergency medical air services and transport. (9) Every Ambulance Plan operating air ambulances shall comply with all applicable federal, state, and local laws. Ambulance plans may use the "Guidelines for Air Medical Crew Education," revised and copyrighted 2004 and published by the Association of Air Medical Services, when determining the scope of their educational programs for purposes of training air crews. (10) No Ambulance Plan shall receive prepaid or periodic charges pursuant to its plan contract for more than one year in advance. (11) Every Ambulance Plan shall deliver: (A) To each prospective subscriber, upon presenting a plan contract for offer or sale, a disclosure form,

combined disclosure form and evidence of coverage, or copy of its plan contract, (B) Annually, to each subscriber a copy of its plan contract and evidence of coverage, and (C) To each subscriber and enrollee a membership card or other form of identification easily carried by the subscriber or enrollee that indicates that the subscriber or enrollee is an Ambulance Plan member and that lists phone numbers and other instructions for activating ambulance transport. (12) The plan contract and any disclosure form and evidence of coverage used by the Ambulance Plan, shall comply with Health and Safety Code sections 1362 and 1363 and the rules of the Director of the Department of Managed Health Care pursuant to and including sections 1300.63, 1300.63.1, 1300.63.2, and 1300.63.3 of title 28. (13) Every Ambulance Plan must maintain documentation demonstrating compliance with all the conditions of the exemption and provide to the Department of Managed Health Care all or any part of such documentation as required by the Department within 30 days of request. (14) No Ambulance Plan shall purport to rely on the exemption pursuant to this section if the Director has issued an order of termination pursuant to subsection (c).

(1)

Every Ambulance Plan shall directly provide ground and/or air ambulance services for its enrollees throughout the Ambulance Plan's service area exclusively in ambulances owned or leased by it and operated by its employees.

(2)

At the time of initial enrollment or renewal, every plan contract between an Ambulance Plan and a group or individual subscriber, and every disclosure form, evidence of coverage or plan brochure shall prominently display as a separate article the following legend, in boldface type and font size not smaller than the font size used in the general body of the document, either on the first page or on another page if referenced as "See

Important Notices on Page [insert page number] Prior to Purchase" in boldface type and font size not smaller than the font size used in the general body of the document on the front page: (A) "BEFORE YOU PURCHASE: If you are currently enrolled in a health maintenance organization (HMO) or other health insurance, the benefits provided by an Ambulance Plan may duplicate the benefits provided by your HMO or other health insurance. If you have a question regarding whether your HMO or other health insurance offers benefits for ambulance services, you should contact that other company directly." (B) "WARNING: This Ambulance Plan is not an insurance program. It will not compensate or reimburse another ambulance company that provides emergency transportation to you or your family. This may occur when the 911 Emergency System has independently determined that another company could provide more expeditious service or is next in the rotation to receive a call. This might also occur when this Ambulance Plan is unable to perform within a medically appropriate timeframe due to a mechanical or maintenance problem or being on another call." Immediately following this warning, the Ambulance Plan shall include the words, "sign or initial here," and include a line for the subscriber's signature or initials. (C) "COMPLAINTS: For complaints regarding this Ambulance Plan, first attempt to call the plan at [plan's toll-free telephone number]. If the Ambulance Plan fails to resolve the complaint to your satisfaction, contact the Department of Managed Health Care at 1-888-466-2219. The Department's website is <http://www.healthhelp.ca.gov>. You may obtain complaint forms and instructions online." (D) "OPERATING UNDER CONDITIONAL EXEMPTION: This Ambulance Plan is operating pursuant to an exemption from the Knox-Keene Health Care Service Plan Act of 1975 (Health and Safety Code section 1340 et seq.)." The Ambulance Plan may amend the wording of the legend to use its name and personal pronouns.

(A)

"BEFORE YOU PURCHASE: If you are currently enrolled in a health maintenance organization (HMO) or other health insurance, the benefits provided by an Ambulance Plan may duplicate the benefits provided by your HMO or other health insurance. If you have a question regarding whether your HMO or other health insurance offers benefits for ambulance services, you should contact that other company directly."

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"WARNING: This Ambulance Plan is not an insurance program. It will not compensate or reimburse another ambulance company that provides emergency transportation to you or your family. This may occur when the 911 Emergency System has independently determined that another company could provide more expeditious service or is next in the rotation to receive a call. This might also occur when this Ambulance Plan is unable to perform within a medically appropriate timeframe due to a mechanical or maintenance problem or being on another call." Immediately following this warning, the Ambulance Plan shall include the words, "sign or initial here," and include a line for the subscriber's signature or initials.

(C)

"COMPLAINTS: For complaints regarding this Ambulance Plan, first attempt to call the plan at [plan's toll-free telephone number]. If the Ambulance Plan fails to resolve the complaint to your satisfaction, contact the Department of Managed Health Care at 1-888-466-2219. The Department's website is <http://www.healthhelp.ca.gov>. You may obtain complaint forms and instructions online."

(D)

"OPERATING UNDER CONDITIONAL EXEMPTION: This Ambulance Plan is operating pursuant to an exemption from the Knox-Keene Health Care Service Plan Act of 1975 (Health and Safety Code section 1340 et seq.)." The Ambulance Plan may amend the wording of the legend to use its name and personal pronouns.

(3)

Ambulance Plans that fail to comply with all of subsection (b)(2), including obtaining the signature or initials of subscribers next to or under the "WARNING" statement, shall be responsible for paying, reimbursing, or covering the enrollee's cost for ambulance transportation services provided by another ambulance company, less any compensation received from the subscriber's HMO, health insurer, or managed care organization, if any, and less any applicable overall annual deductible or any co-payment.

(4)

An Ambulance Plan shall operate in compliance with the requirements of each local emergency medical services agency (Health and Safety Code section 1797.94) that regulates emergency services in any portion of the plan's service area and that has developed an emergency medical services plan (Health and Safety Code section 1797.76) for an emergency medical services system (Health and Safety Code section 1797.78), implemented pursuant to the authority granted in Health and Safety Code section 1797.105(b).

(5)

Ambulance Plan shall offer or sell plan contracts only to or for persons who do not live or work in the plan's service area, or to or for persons who will be in the plan's service area for a temporary period of time and for an activity covered by the Ambulance Plan, as specified in the Ambulance Plan contract. Ambulance Plans must clearly disclose that services are only available or provided within the ambulance plan's service area. Every Ambulance Plan shall comply with the following sections of the Health and Safety Code: 1360, 1363.1, 1365(a), 1365.5, 1366, subsections (a), (b), (c), (d), (e)(1), (f), (g), and (h)(1) of section 1367, 1368, 1368.01, 1368.02(b), 1373(a), 1379, 1381, subsections (a), (d), and (f) of 1384, and 1385, except that approval by the Department under section 1368(a)(1) is waived.

(6)

Every Ambulance Plan shall maintain a procedure whereby enrollees, or authorized persons on their behalf, may submit grievances to the plan and in each case receive from the plan a written acknowledgement within five days of receipt of the grievance and a written response sent within 30 days of receipt of the grievance indicating what the plan will do to resolve the grievance. Both the acknowledgement and the response shall include a notice that the enrollee may contact the Department of Managed Health Care through the Department's toll-free telephone number after the grievance has been pending with the plan for at least 30 days.

(7)

No Ambulance Plan contract shall require, nor shall the Ambulance Plan or any contracting provider collect, a co-payment of greater than 50 percent of an ambulance or other emergency care provider's negotiated fee-for-service rate pursuant to a contract with the ambulance service, or, in the absence of such a contract, 50 percent of the ambulance company's usual, customary, and reasonable rate (within the meaning of Business and Professions Code section 657(c)) for the particular service, or \$500, whichever amount is less. An Ambulance Plan that does not impose any co-payments may impose an overall annual deductible of a specified dollar amount applicable to all covered services, provided that the deductible for an enrollee shall not exceed: (A) 200 percent of the amount of prepaid or periodic charge for one year for the enrollee; or (B) 200 percent of the amount of prepaid or periodic charge for one year for the family, whichever is less.

(A)

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(B)

200 percent of the amount of prepaid or periodic charge for one year for the family,

whichever is less.

(8)

Every Ambulance Plan operating ground or air ambulances shall: (A) If operating a ground ambulance, provide proof to the Director upon request that the Ambulance Plan currently complies with Articles 1 and 2 of Chapter 2.5 of Division 2 of the California Vehicle Code, including but not limited to license and certification requirements, and with professionally recognized standards of patient care and safety in emergency medical services and transport. (B) If operating an air ambulance, provide proof to the Director upon request that the Ambulance Plan currently complies with regulations established by the Federal Aviation Administration and with professionally recognized standards of patient care and safety in emergency medical air services and transport.

(A)

If operating a ground ambulance, provide proof to the Director upon request that the Ambulance Plan currently complies with Articles 1 and 2 of Chapter 2.5 of Division 2 of the California Vehicle Code, including but not limited to license and certification requirements, and with professionally recognized standards of patient care and safety in emergency medical services and transport.

(B)

If operating an air ambulance, provide proof to the Director upon request that the Ambulance Plan currently complies with regulations established by the Federal Aviation Administration and with professionally recognized standards of patient care and safety in emergency medical air services and transport.

(9)

Every Ambulance Plan operating air ambulances shall comply with all applicable federal, state, and local laws. Ambulance plans may use the "Guidelines for Air Medical Crew Education," revised and copyrighted 2004 and published by the Association of Air

Medical Services, when determining the scope of their educational programs for purposes of training air crews.

(10)

No Ambulance Plan shall receive prepaid or periodic charges pursuant to its plan contract for more than one year in advance.

(11)

Every Ambulance Plan shall deliver: (A) To each prospective subscriber, upon presenting a plan contract for offer or sale, a disclosure form, combined disclosure form and evidence of coverage, or copy of its plan contract, (B) Annually, to each subscriber a copy of its plan contract and evidence of coverage, and (C) To each subscriber and enrollee a membership card or other form of identification easily carried by the subscriber or enrollee that indicates that the subscriber or enrollee is an Ambulance Plan member and that lists phone numbers and other instructions for activating ambulance transport.

(A)

To each prospective subscriber, upon presenting a plan contract for offer or sale, a disclosure form, combined disclosure form and evidence of coverage, or copy of its plan contract,

(B)

Annually, to each subscriber a copy of its plan contract and evidence of coverage, and

(C)

To each subscriber and enrollee a membership card or other form of identification easily carried by the subscriber or enrollee that indicates that the subscriber or enrollee is an Ambulance Plan member and that lists phone numbers and other instructions for activating ambulance transport.

(12)

The plan contract and any disclosure form and evidence of coverage used by the

Ambulance Plan, shall comply with Health and Safety Code sections 1362 and 1363 and the rules of the Director of the Department of Managed Health Care pursuant to and including sections 1300.63, 1300.63.1, 1300.63.2, and 1300.63.3 of title 28.

(13)

Every Ambulance Plan must maintain documentation demonstrating compliance with all the conditions of the exemption and provide to the Department of Managed Health Care all or any part of such documentation as required by the Department within 30 days of request.

(14)

No Ambulance Plan shall purport to rely on the exemption pursuant to this section if the Director has issued an order of termination pursuant to subsection (c).

(c)

An Ambulance Plan's exemption pursuant to this section may be terminated by order of the Director, upon a determination that such action is in the public interest and for the protection of enrollees, or for any of the following reasons:

(1) The services of the Ambulance Plan are not accessible to enrollees. (2) The Ambulance Plan, or a person employed by the Ambulance Plan, has failed to comply with licensing or certification requirements imposed by law. (3) The Ambulance Plan is operating in an unsafe, unfair, unreasonable or discriminatory manner as to its enrollees or as to its enrollment practices. (4) The financial condition of the Ambulance Plan is such that its continued operation will constitute a substantial risk to its subscribers and enrollees. (5) The Ambulance Plan has engaged in conduct proscribed by the Health and Safety Code section 1386(b), subsections (5), (6), (7), (8), (9), (10), (11), or (14). (6) The Ambulance Plan has been or is subject to a limitation, requirement, condition, adverse action, or disciplinary action taken by a licensing agency or an emergency medical services

agency that would materially impair its ability to perform its plan contracts or constitute or result in a violation of the provisions of this section or of the referenced provisions of the Act. (7) The Ambulance Plan has violated any condition of this exemption.

(1)

The services of the Ambulance Plan are not accessible to enrollees.

(2)

The Ambulance Plan, or a person employed by the Ambulance Plan, has failed to comply with licensing or certification requirements imposed by law.

(3)

The Ambulance Plan is operating in an unsafe, unfair, unreasonable or discriminatory manner as to its enrollees or as to its enrollment practices.

(4)

The financial condition of the Ambulance Plan is such that its continued operation will constitute a substantial risk to its subscribers and enrollees.

(5)

The Ambulance Plan has engaged in conduct proscribed by the Health and Safety Code section 1386(b), subsections (5), (6), (7), (8), (9), (10), (11), or (14).

(6)

The Ambulance Plan has been or is subject to a limitation, requirement, condition, adverse action, or disciplinary action taken by a licensing agency or an emergency medical services agency that would materially impair its ability to perform its plan contracts or constitute or result in a violation of the provisions of this section or of the referenced provisions of the Act.

(7)

The Ambulance Plan has violated any condition of this exemption.

(d)

An Ambulance Plan's exemption pursuant to this section shall terminate automatically by operation of law upon the plan's failure to comply with any of the conditions set forth in subsection (b).

(e)

An Ambulance Plan whose exemption has been terminated by operation of law because of failure to comply with the conditions set forth in subsection (b) or by order of the Director under subsection (c) shall be in violation of section 1349 of the Health and Safety Code and shall be subject to all of the provisions of the Knox-Keene Health Care Service Plan Act of 1975, including but not limited to the provisions relating to discipline and enforcement procedures.