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July 11, 2013

To the Honorable Senate and House of Representatives:

Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the Constitution of the Commonwealth of Massachusetts, I am returning to you for amendment Section 23 of House Bill No. 3539, "An Act making appropriations for the fiscal year 2013 to provide for supplementing certain existing appropriations and for certain other activities and projects."

Section 23 of this bill requires insurers to reimburse ambulance companies directly for emergency ambulance services rendered regardless of whether those companies are members of the insurers' contracted networks. As I stated when I returned similar provisions for amendment in 2010 and 2012, I am concerned about the impact of this legislation on health care costs because it lacks guidelines governing reasonable charges for emergency ambulance services. Such guidelines are important to my Administration's commitment to controlling health care costs and premiums.

For these reasons, I recommend that Section 23 be amended by striking out subsections (c), (d) and (e) and inserting in place thereof the following 3 subsections:-

(c) Payments to an ambulance service provider under subsection (b) shall be at a rate equal to the lower of the insurer's usual and customary charge for the emergency ambulance service rendered to the insured, or 3 times the then current published rate for the emergency ambulance service rendered to the insured as established by the Centers for Medicare and Medicaid Services under Title XVIII of the Social Security Act (Medicare).

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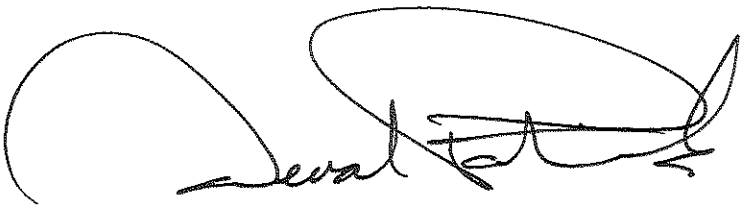
(d) An ambulance service provider receiving payment for emergency ambulance services in accordance with subsections (b) and (c) shall be deemed to have been paid in full for the emergency ambulance services provided to the insured, and shall have no further right or recourse to further bill the insured for said emergency ambulance services with the exception of coinsurance, co-payments or deductibles for which the insured is responsible under the insured's insurance policy or insurance contract.

(e) No term or provision of this section shall be construed as limiting or adversely affecting an insured's right to receive benefits under any insurance policy or insurance contract providing insurance coverage for emergency ambulance services. No term or provision of this section shall create an entitlement on behalf of an insured to coverage for emergency ambulance services if the insured's insurance policy or insurance contract provides no coverage for emergency ambulance services.

Respectfully submitted,