

Air *Ambulances*

REGULATORINSIGHTS



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The NAIC/CIPR Research Library has compiled a summary of recent legislation, reports, and news coverage of surprise billing practices of air ambulance companies and government/regulator efforts to address this issue. The Library's Regulator Insights series is aimed at assisting regulators in quickly understanding the breadth and depth of recent information produced on a key topic of interest across media and academic sources.

For news coverage in particular, we use Factiva, a global database that indexes more than 10,000 sources. Here we focus on the previous six months of U.S. news looking a recent state and federal legislation and regulatory efforts.

Studies and Reports

- o [NAIC Amicus Curiae Brief in Guardian Flight, LLC, v. Jon Godfread](#) (June 2019).
 - United States Court of Appeals for the Eighth Circuit.
- o [“Air Ambulance: Available Data Show Privately Insured Patients Are at Financial Risk,”](#) U.S. Government Accountability Office (GAO) (March 2019).
 - In 2017, two-thirds of air ambulance transports for patients with private health insurance were out-of-network in contrast with only about half of ground ambulance transports.
 - Out-of-network flights frequently lead to surprise bills, which often range in the tens-of-thousands of dollars.
- o [“Air Ambulances With Sky-High Charges,”](#) Health Affairs and Johns Hopkins (July 2019).
 - Charges for air ambulance services increased by 46% to 61% from 2012 to 2016.
 - Cost varies substantially by region, and large providers tend to charge the most.

Federal Legislation

2019

H.R. 3784 – To amend title XXVII of the federal Public Health Services Act and title XI of the federal Social Security Act to prohibit surprise billing with respect to air ambulance services

- o Introduced July 16, 2019, by Rep. Joe Neguse (D-CO).
- o § 2: “Prohibiting surprise billing with respect to air ambulance services.”
- o **Status:** Referred to the House Committee on Energy and Commerce (July 16, 2019).

H.R. 3630 – No Surprises Act

- o Introduced July 9, 2019, by Rep. Frank Pallone Jr. (D-NJ).
- o “To amend title XXVII of the Public Health Service Act to protect health care consumers from surprise billing practices.”
- o **Status:** Referred to the House Committee on Energy and Commerce (July 11, 2019). Amended into [H.R. 2328](#) and advanced out of the Energy and Commerce Committee (July 17, 2019).

S. 1895 – Lower Health Care Costs Act

- o Introduced June 19, 2019, by Sen. Lamar Alexander (R-TN).
- o § 105: Ending surprise air ambulances bills.
- o **Status:** Health, Education, Labor and Pensions (HELP) Committee. Placed on Senate legislative calendar (July 8, 2019).

2018

H.R. 302 – FAA Reauthorization Act of 2018

- o § 418: Advisory Committee on Air Ambulance and Patient Billing (AAPB): “The advisory committee shall make recommendations with respect to disclosure of charges and fees for air ambulance services and insurance coverage, consumer protection and enforcement authorities of both the Department of Transportation and State authorities, and the prevention of balance billing to consumers.”
 - Solicitations of applications and nominations for membership on the AAPB Advisory Committee: www.transportation.gov/airconsumer/AAPB.
- o § 419: Air Ambulance Complaints to the Department of Transportation.
- o § 420: Report to Congress on Air Ambulance Oversight.
- o [NAIC Letter](#) of support for North Dakota Insurance Commissioner Jon Godfread’s application to serve on the Advisory Committee (Jan. 15, 2019).
- o **Status:** Signed into law on Oct. 5, 2019. The U.S. Department of Transportation (DOT) has yet to convene the Advisory Committee.

State Action and Legislation

- o **Texas:** [H.B. 463](#) – Requires air ambulance companies that operate subscription services to enter into reciprocity agreements with other air ambulance companies that offer subscriptions in the same area.
 - **Status:** Vetoed by Governor Greg Abbott (June 2019).

- o **Wyoming:** [Wyoming Department of Health Air Ambulance Waiver Concept](#)
 - *Casper Star-Tribune*, May 16, 2019, "[Wyoming Health Officials Move Forward on Unique Air Ambulance Plan.](#)"
 - **Status:** The plan is open for public comment and will be submitted to the federal Centers for Medicare & Medicaid Services (CMS) for approval this fall.

- o **North Dakota:** *Guardian Flight, LLC v. Godfread, et al.*
 - In January 2019, the District Court of North Dakota partially overturned a 2017 state law due to preemption by the federal Airline Deregulation Act.
 - The state filed an appeal with the Eighth Circuit Court of Appeals.
 - *Insurance Journal*, Feb. 21, 2019, "[ND Insurance Regulator Appeals Court Ruling on Air Ambulance Balance Bills.](#)"
 - [NAIC Amicus Curiae Brief in Guardian Flight, LLC, v. Jon Godfread](#) (June 2019), United States Court of Appeals for the Eighth Circuit.
 - *Law360*, June 26, 2019, "[ND Air Ambulance Regs Not Preempted, 8th Circ. Told.](#)"
 - **Status:** Awaiting a scheduled date for oral arguments.

- o **Missouri:** [H.B. 493](#) – Requires insurance companies to pay benefits directly to air ambulance services (currently limited to ground ambulance transport only). The idea behind the bill is to force air ambulance services to compete under the free market in hopes that costs will decrease.
 - **Status:** Passed the House on April 15, 2019. The bill has not yet been sent to the Senate.

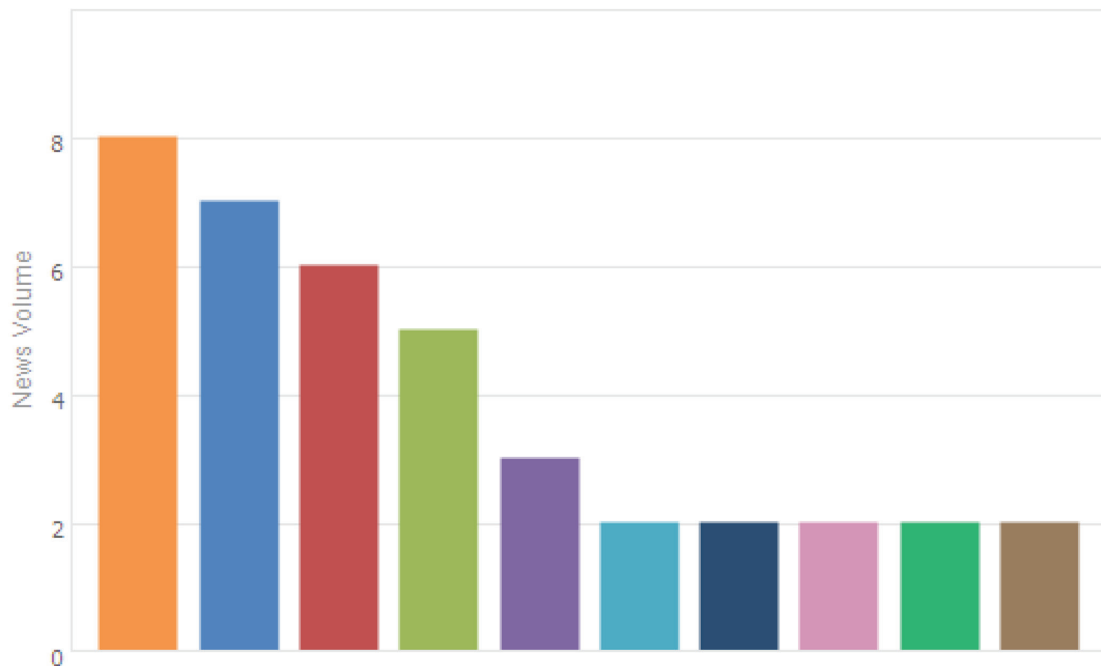
News Coverage

The figure below shows the breakdown of news coverage by company mentioned in the previous six months. Besides the NAIC, Air Methods Corp. and the Federal Aviation Administration (FAA) are the most frequently mentioned.

Air Ambulance - top companies

28 Jan 2019 — 30 Jul 2019

ANALYSIS BY **FACTIVA**



- Federal Aviation Administration
- National Association of Insurance Commissioners
- Air Methods Corp
- Kaiser Permanente
- Pipeline and Hazardous Materials Safety Administr...
- American Hospital Association
- The Brookings Institution
- America's Health Insurance Plans
- North Dakota Insurance Department
- Ohio State Highway Patrol

Publications Only

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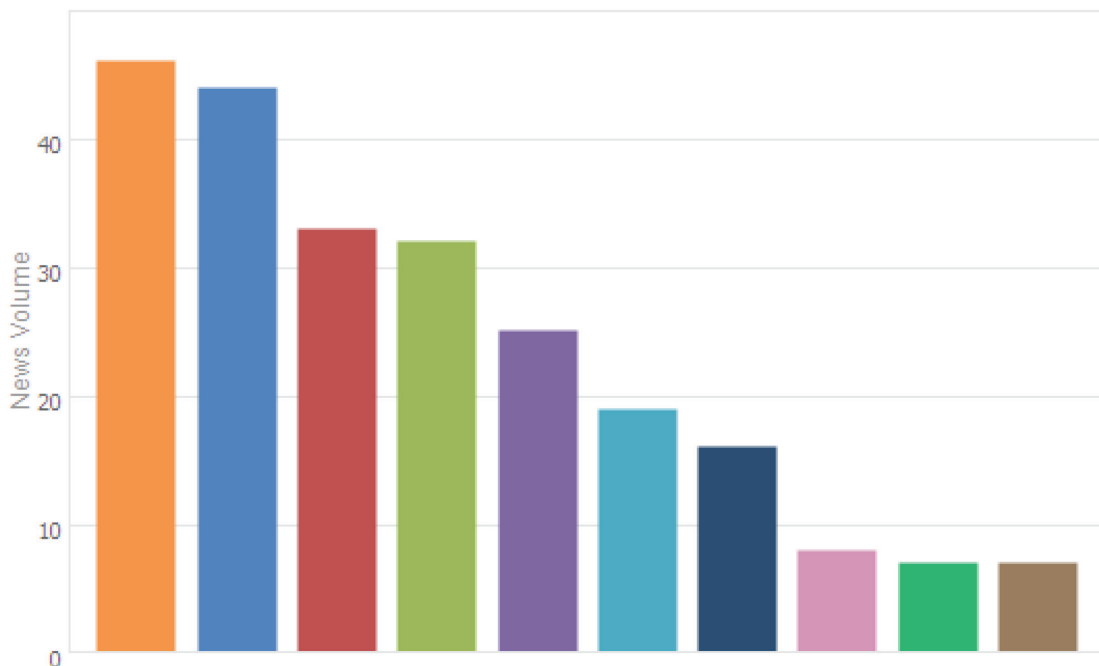
News Coverage

In the past six months, there were more than 150 articles relating to air ambulance billing practices and regulatory and/or legislative efforts in the U.S. The figure below illustrates their classifications according to Factiva’s indexing algorithm. The dominant themes are related to politics and government, followed by health news.

Air Ambulance - top subjects

28 Jan 2019 — 30 Jul 2019

ANALYSIS BY **FACTIVA**



- Political/General News
- Domestic Politics
- Upper House
- Legislative Branch
- Health
- Corporate/Industrial News
- Regulation/Government Policy
- Government Bodies
- Crime/Legal Action
- Page-One Stories

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News Highlights

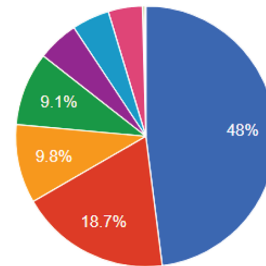
- o [“N.D. Insurance Commissioner Urges U.S. Senate to Tackle Surprise Air Ambulance Bills”](#)
(July 16, 2019, *Insurance Journal*).
 - Commissioner Godfread highlights the benefits of the Lower Health Care Costs Act pending in the Senate and stresses congressional action is the most expedient way to address this issue.
- o [“Air Ambulance Industry on Defense as Surprise Billing Debate Heats up”](#)
(July 10, 2019, *Healthcaredive*).
 - The air ambulance industry is expressing opposition to legislation targeting surprise billing practices.
 - Industry executives blame low Medicare and Medicaid reimbursement rates and say they are forced to bill private payers more to make up the difference.
- o [“Air Ambulances May Be Banned from Balance Billing”](#)
(June 22, 2019, *Modern Healthcare*).
 - The air ambulance industry often conflicts with insurers when attempting to negotiate in-network agreements. A lack of in-network providers is a significant factor in the large bills some consumers receive.
- o [In Combating Surprise Bills, Lawmakers Miss Sky-High Air Ambulance Costs”](#)
(June 14, 2019, *Kaiser Health News*).
 - Surprise medical billing is a hot topic for many lawmakers, but the issue of air ambulance bills is often overlooked.
- o [“Sky-High Prices for Air Ambulances Hurt Those They Are Helping”](#)
(Nov. 26, 2018, *CNN Health*).
 - A CNN investigation found air ambulance bills ranging from tens of thousands of dollars up to more than half a million dollars.
 - Air ambulances remain an important resource in emergencies, especially in rural areas.

Air Ambulance Revenues

Nearly 50% of 471 companies assigned a Standard Industrial Classification (SIC) code of 4522005—Air Ambulance Services—report more than \$1 million in revenue.

Total Number Of Records: **471**

\$1 to 2.5 Million	48%	226
Up to \$500,000	18.7%	88
\$2.5 to 5 Million	9.8%	46
\$500,000 to 1 Million	9.1%	43
Unknown	5.1%	24
\$10 to 50 Million	4.7%	22
\$5 to 10 Million	4.2%	20



Source: AtoZ Databases

Appendix

- [Helicopter Bankruptcy Highlights Surprise Medical Bill Backlash](#). Hill, Jeremy. *Bloomberg News*. July 29, 2019.
- [Providers, Murkowski Hope to Amend Air Ambulance Policy in HELP Bill](#). Cohen, Ariel. *Inside Health Policy*. July 24, 2019.
- [Politicians Tackle Surprise Bills, but Not the Biggest Source of Them: Ambulances](#). Kliff, Sarah and Sanger-Katz, Margot. *The New York Times*. July 22, 2019
- [N.D. Insurance Commissioner Urges U.S. Senate to Tackle Surprise Air Ambulance Bills](#). Staff Reporter. *Insurance Journal*. July 16, 2019.
- [Could legislation on 'surprise medical bills' impact air ambulance services?](#) Manion, Cristen. *WFMJ 21*. July 16, 2019.
- [Congress should crack down on predatory air ambulances, North Dakota official urges](#). Springer, Patrick. *Grand Forks Herald*. July 15, 2019.

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Appendix

- [Air ambulance industry on defense as surprise billing debate heats up](#). Liss, Samantha. *HealthcareDive*. July 10, 2019.
- [How much do air ambulances charge private insurers? More than four times Medicare rates, study finds](#). Vasquez, Jose. *American Health Line*. July 10, 2019.
- [An emergency flight to the hospital could set you back \\$40,000 – unless you have one of 2 credit cards with medical evacuation coverage](#). Silbert, Sarah. *Business Insider*. July 10, 2019.
- [Surprise medical billing battle](#). Hiltzik, Michael. *Los Angeles Times*. July 4, 2019.
- [Behind air ambulances' astronomical charges](#). Owens, Caitlin. *Axios*. July 2, 2019.
- [Air ambulance charges study could boost Senate surprise bill legislation](#). Meyer, Harris. *Modern Healthcare*. July 1, 2019.
- [Air ambulances save lives but can come with sky-high costs](#). Mayes, Daniel. *The Anniston Star*. June 27, 2019.
- [Air ambulances may be banned from balance billing](#). Luthi, Susannah. *Modern Healthcare*. June 22, 2019.
- [Senate Lands on Benchmark Payment Rate As Surprise Billing Fix](#). Cohen, Ariel. *Health Exchange Alert*. June 19, 2019.
- [Springer's air ambulance bill vetoed](#). Staff Reporter. *Gainesville Daily Register*. June 19, 2019.
- [Cost of air ambulance skyrockets](#). Moss, Rebecca. *The Santa Fe New Mexican*. June 19, 2019.
- [In Combating Surprise Bills, Lawmakers Miss Sky-High Air Ambulance Costs](#). Bluth, Rachel. *Kaiser Health News*. June 14, 2019.
- [Stakeholders Push for Air Ambulance Fixes in Surprise Billing Legislation](#). Cohen, Ariel. *Health Exchange Alert*. June 11, 2019.
- [Couple to pay \\$4,400 to settle \\$24,000 air ambulance debt](#). Casey, Dan. *The Roanoke Times*. June 9, 2019.
- [Flight bill more painful than the heart condition](#). Dowty, Douglass. *The Post-Standard*. June 9, 2019.
- [Need a Medevac? There's a Membership for That: Medevac memberships provide a lifeline to those living in remote areas far from trauma centers](#). DeCarbo, Beth. *The Wall Street Journal*. June 6, 2019.

Appendix

- [Every Day, Missouri Farmers Face Hazardous Work Conditions and Potential Injury](#). Bodine, Seth and Sherman, Dylan and Bayless, Kacen. *Missouri Public Radio*. June 4, 2019.
- [Air ambulance service agreement nixed by Texas Governor](#). Rapaport, Wes. *KFDX 3*. June 2, 2019.
- [Former Pahrump teacher decries costs for air medical flight](#). Harris, Selwyn. *Pahrump Valley Times*. May 24, 2019.
- [Inside the ‘ambitious’ Alexander-Murray proposal to combat ‘surprise’ medical bills, lower drug costs](#). Fuoco Antonelli, Ashley. *American Health Line*. May 24, 2019.
- [Protect air ambulances to save stroke patients](#). Larsen, Dr. Timothy. *Des Moines Register*. May 24, 2019.
- [Air Idaho Rescue to open helibase in Salmon](#). Adams, Todd. *The Challis Messenger*. May 23, 2019.
- [Breaking down the bipartisan Senate group’s new proposal to address surprise billing](#). Adler, Loren et. al. *Health Affairs*. May 21, 2019.
- [Health officials work on air ambulance plan](#). Klamann, Seth. *Wyoming News Exchange*. May 16, 2019.
- [Is Your Patient Financial Experience Harming Your Reputation?](#) Haines, Morgan and Wyld, Samantha. *Healthcare Innovation*. May 13, 2019.
- [Bill for snakebite: \\$142,938; Camper airlifted and given 4 vials of antivenin](#). Heredia Rodriguez, Carmen. *Kaiser Health News*. April 30, 2019.
- [Sky-high air ambulance bills hurting local families](#). Calhoun, Julie. *CBS – 13 WBTW*. April 16, 2019.
- [Moody’s Downgrades Air Methods on High Leverage, Performance Issues](#). O’Neil, Kirk. *The Deal*. April 8, 2019.
- [Family left with forty thousand dollar bill for son’s air ambulance](#). Villarreal, Mireya and Glor, Jeff. *CBS Evening News*. April 2, 2019.
- [Air ambulance ride costs soar, contributing to surprise billing issue](#). Luthi, Susannah. *Modern Healthcare*. March 25, 2019.
- [Why air ambulance prices jumped more than 60% over 5 years](#). Palmer, Ben. *American Health Line*. March 25, 2019.

Appendix

- [North Dakota Insurance Department Appeals Court Ruling on Air Ambulance Balance Bills](#). Staff Reporter. *Insurance Journal*. March 4, 2019.
- [AirEvac now offering fly you home service](#). Lawson, Nathan. *Breckenridge American*. February 27, 2019.
- [Discussions about Kaiser Permanente's emergency flight policy continue](#). Johnson, Mandi. *The Islands' Sounder*. February 26, 2019.
- [Families shocked, struggling after air ambulance bills](#). Powell, Katie. *The Horry Independent*. February 13, 2019.
- [Kansas man learns of air ambulances' crazy costs after unnecessary flight to KU Hospital](#). Wagar, Linda. *FOX – 4 WDAF*. February 11, 2019.
- [Ruling devastating for N.D. consumers; Judge strikes down N.D. law limiting bills for air ambulance rides](#). Springer, Patrick. *News-Monitor*. February 5, 2019.
- [Kaiser Permanente denies airlift services](#). Johnson, Mandi. *The Journal of the San Juan Islands*. January 30, 2019.
- [N.D. Insurance Commissioner Named to National Air Ambulance Panel](#). Staff Reporter. *Insurance Journal*. January 30, 2019.
- [Sky-high prices for air ambulances hurt those they are helping](#). Christensen, Jen. *CNN Health*. November 26, 2018.

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