

January 2019

## Air Ambulance Regulation

- *Consumers in just about every state have received critical, life-saving air transport to an emergency room or trauma center and then found out that the air ambulance provider is not in their insurance network and that they must pay tens-of-thousands of dollars out of their own pockets.*
- *State laws that would protect consumers in such cases are preempted by the Airline Deregulation Act.*
- *Members of both the Senate and the House are drafting bipartisan legislation to amend the Airline Deregulation Act to allow states to regulate air ambulances in a very limited way to protect consumers from excessive out-of-network charges.*
- *The FAA Reauthorization Act of 2018 established an advisory committee to recommend federal rulemaking on air ambulances. Nonetheless, additional legislation is necessary to allow state insurance regulators to take appropriate action to protect consumers in their states.*

### Background

The Airline Deregulation Act of 1978 prohibits states from regulating the price, route or service of an air carrier for the purposes of keeping national commercial air travel competitive. Air carriers that provide air ambulance services are also protected from state regulation of their price, route and service as well. Over the past decade, many states are reporting issues with air ambulance providers that are not affiliated with a hospital and refuse to contract with an insurance carrier. As such, air ambulances are being called to airlift individuals in emergency situations and billing them for out-of-network charges to the tune of tens of thousands of dollars.

Under the Patient Protection and Affordable Care Act, consumers who receive ambulance services are protected from balance billing. However, in the case of air ambulances, these protections are only applied when the service is affiliated with a hospital and thus considered an extension of the emergency department service. A number of states have attempted to pass laws to protect consumers from out-of-network air ambulance bills, but these laws are preempted by the Airline Deregulation Act of 1978.

Federal legislative action is necessary to give states the authority to address this issue. Proposed legislation would simply allow states to decide how best to regulate air ambulance providers The legislation would not impact airlines or other air services and would not affect the routes or other operations of air ambulances.

### Key Points

- ✓ State insurance regulators support legislation that would allow states flexibility to protect consumers from excessive out-of-network charges by regulating how air ambulance carriers are reimbursed, participate in networks, balance bill, and/or make information transparent to consumers.
- ✓ The following groups support this type of legislation: National Association of Insurance Commissioners, National Conference of State Legislatures, America's Health Insurance Plans, Blue Cross Blue Shield Association, Families USA, Consumer Reports.