

July 12, 2017

The Honorable John Thune  
Chairman  
Committee on Commerce, Science  
and Transportation  
United States Senate  
Washington, DC 20510

The Honorable Bill Nelson  
Ranking Member  
Committee on Commerce, Science  
and Transportation  
United States Senate  
Washington, DC 20510

Dear Chairman Thune and Ranking Member Nelson:

On behalf of the membership of the National Association of Insurance Commissioners<sup>1</sup>, we write today to express our support for inclusion of language in the Federal Aviation Administration Reauthorization bill that would help protect consumers from excessive air ambulance expenses.

Specifically, state regulators support language offered by Representative Woodall and adopted by the House Transportation and Infrastructure Committee as part of H.R. 2997 – The 21<sup>st</sup> Century AIRR Act. This amendment would establish an advisory committee to make recommendations for a rulemaking to require air ambulance operators to clearly disclose charges for air transportation services separately from charges for non-air transportation medical services provided while onboard an aircraft, and to provide other consumer protections for customers of air ambulance operators.

State insurance regulators across the country have experienced a high volume of complaints from consumers in their states who received life flights and were then saddled with a surprise bill for tens of thousands of dollars. After extensive investigations by state departments of insurance, state regulators determined that many air ambulance operators servicing their consumers are not affiliated with hospitals and are not contracting with insurance carriers. Most states have laws that govern network participation, reimbursement, price transparency and balance billing, but state regulators and legislatures are prohibited from applying these laws to air ambulance operators by the preemption clause of the federal Aviation Deregulation Act of 1978 (ADA), which protects an air carrier's price, route or service from being subject to state regulation.

We applaud Representative Woodall for his leadership on this important issue and believe it is a positive first step to shine a spotlight on the issue of air ambulance balance billing. However, the NAIC also believes while transparency and study are important, ultimately the most effective remedy to provide consumers with robust protection is legislation introduced by Sen. Jon Tester earlier this year. The Isla Rose Life Flight Act, S. 471, would clarify the ADA to allow any state to enact or enforce a law or regulation relating to network participation, reimbursement, price transparency and balance billing for an air carrier that provides air ambulances services. We look forward to working with Representative Woodall, Senator Tester, and others who are committed to progress on protecting consumers from unfair billing practices.

Thank you for your consideration in this important matter.

Sincerely,



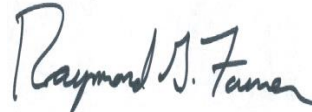
Theodore K. Nickel  
NAIC President  
Commissioner  
Wisconsin Office of the  
Commissioner of Insurance



Julie Mix McPeak  
NAIC President-Elect  
Commissioner  
Tennessee Department of  
Commerce & Insurance



Eric A. Cioppa  
NAIC Vice President  
Superintendent  
Maine Bureau of Insurance



Raymond G. Farmer  
NAIC Secretary-Treasurer  
Director  
South Carolina Department of Insurance

---

<sup>1</sup> Founded in 1871, the NAIC is the U.S. standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia and the five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight. NAIC members, together with the central resources of the NAIC, form the national system of state-based insurance regulation in the U.S.