

SENATE JOINT RESOLUTION NO. 13

INTRODUCED BY T. FACEY

BY REQUEST OF THE SENATE BUSINESS, LABOR, AND ECONOMIC AFFAIRS STANDING

COMMITTEE

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING THE FEDERAL GOVERNMENT AMEND THE AIRLINE DEREGULATION ACT TO EXEMPT AIR AMBULANCE SERVICE PROVIDERS.

WHEREAS, Montana's Economic Affairs Interim Committee conducted an interim study of air ambulance providers operating in Montana after receiving information of Montana residents being forced into bankruptcy or otherwise financially crippled by bills levied by air ambulance services; and

WHEREAS, the committee found a playing field tilted most severely against a patient needing air ambulance services in Montana, including residents being balance billed for air ambulance services often in the tens of thousands of dollars in excess of insurance coverage; and

WHEREAS, the committee found that the Airline Deregulation Act of 1978, which broadly applies to worldwide commercial air carriers and emergency air ambulance service providers alike, contains an expansive and stifling preemption clause preventing any state from regulating the rates, routes, or services of air ambulance providers; and

WHEREAS, the committee found that although the Airline Deregulation Act is important, the competition expected under that act does not necessarily extend to air ambulances, particularly those serving rural areas like Montana; and

WHEREAS, the committee found that by giving air ambulances immunity from state pricing oversight, the Airline Deregulation Act leaves uninsured, sick customers at the mercy of often out-of-state corporations and furthermore found that even insured patients did not necessarily fare well economically if the air ambulance providing service is not in their network or a preferred provider; and

WHEREAS, the committee found that the shortfalls in the Airline Deregulation Act were further compounded because Medicare and Medicaid lag behind on appropriate reimbursements for air ambulance services; and

1 WHEREAS, the committee found that other state legislation aimed at protecting its citizens has been
2 invalidated by federal courts under the Airline Deregulation Act's expansive preemption clause; and

3 WHEREAS, the committee voted unanimously to adopt as two committee bills approaches to help
4 consumers, including a bill to hold insured consumers harmless from balance bills and a bill to revise current
5 Montana law that memberships offered by private air ambulances are an insurance product to be regulated by
6 the state.

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8 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE
9 STATE OF MONTANA:

10 That the 65th Legislature of the State of Montana urges the federal government to make changes to:

11 (1) revise the Airline Deregulation Act to allow rate-setting regulation by states through insurance laws
12 for air ambulances either as part of insurance networks or through guidelines that establish reasonable and
13 customary billing, fair-market billing, or billing based on a percentage of Medicare reimbursement rates;

14 (2) revise the Airline Deregulation Act to prevent balance billing on truly emergency transports;

15 (3) revise the Airline Deregulation Act to recognize that air ambulance providers that sell memberships
16 may do so without preemption and may be regulated by the state, much as automobile clubs are now regulated;
17 and

18 (4) require more timely changes to Medicare reimbursement rates for air ambulances to keep up with
19 medical inflation so that air ambulances are not cost-shifting to non-Medicare patients the cost of patients covered
20 by this government program.

21 - END -