

1 **CONCURRENT RESOLUTION ON AIR AMBULANCE**

2 **PROVIDERS**

3 2017 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Wayne A. Harper**

6 House Sponsor: _____

7

LONG TITLE

8 **General Description:**

9 This concurrent resolution of the Legislature and the Governor urges Congress to
10 authorize states to regulate air ambulance billing and collections of patient care costs.

11 **Highlighted Provisions:**

12 This resolution:
13 ► urges the United States Congress to amend the Airline Deregulation Act of 1978 to
14 authorize states to regulate air ambulance billing and collections of patient care
15 costs.

16 **Special Clauses:**

17 None

18

Be it resolved by the Legislature of the state of Utah, the Governor concurring therein:

19 WHEREAS, the Airline Deregulation Act of 1978 declared that "States may not enact
20 or enforce a law, regulation, or other provision having the force and effect of law related to a
21 price, route, or service of an air carrier";

22 WHEREAS, as many rural hospitals have recently closed, air ambulance services have
23 become increasingly necessary and are being used more frequently to transport patients to
24 faraway hospitals in an emergency;

25 WHEREAS, over the past decade, many states are reporting that some air ambulance
26 27



providers are not affiliated with a hospital and refuse to contract with an insurance carrier;

WHEREAS, this creates numerous situations in which air ambulances are being called to airlift individuals in emergency situations and are billing these individuals for out-of-network charges;

WHEREAS, these charges can cost patients tens of thousands of dollars out-of-pocket when companies do not accept a patient's insurance;

WHEREAS, emergency patients rarely are in a position, or have the capacity, to choose their own air ambulance carrier;

WHEREAS, some air ambulance carriers refuse to reveal actual costs to insurers, and some insurers are unwilling to pay billed charges for the service;

WHEREAS, for ground ambulance services, the Patient Protection and Affordable Care Act protects consumers from higher cost-sharing requirements for out-of-network providers and states can protect consumers from balance billing;

WHEREAS, in the case of air ambulances, however, the federal cost-sharing protections are only applied when the service is affiliated with a hospital and is considered an extension of the emergency room service;

WHEREAS, federal government Medicare reimbursements cover only a small portion of the actual cost of an air ambulance, forcing air ambulance companies to charge patients more;

WHEREAS, although the Airline Deregulation Act of 1978 was intended to increase competition, reduce rates, and improve airline passenger service, competition among air ambulance providers has the opposite effect;

WHEREAS, the air ambulance industry has high fixed costs, including aircraft, pilots, and trained medical staff;

WHEREAS, increased competition forces these costs to be recouped from a smaller number of flights, leading to higher prices;

WHEREAS, various states have attempted to pass laws to protect consumers from out-of-network air ambulance bills, but courts have determined that these laws are preempted by the Airline Deregulation Act of 1978;

WHEREAS, the Airline Deregulation Act of 1978 should be amended to allow states flexibility to protect consumers from excessive out-of-network charges by regulating how air

59 ambulance carriers are reimbursed, participate in networks, balance bill, and make information
60 transparent to consumers; and

61 WHEREAS, states should be given the authority to regulate air ambulance billing and
62 collections of patient care costs in order to protect patients from overwhelming financial
63 burdens for emergency medical services:

64 NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah, the
65 Governor concurring therein, urges the United States Congress to amend the Airline
66 Deregulation Act of 1978 to authorize states to regulate air ambulance billing and collections
67 of patient care costs.

68 BE IT FURTHER RESOLVED that the Legislature and the Governor urge the United
69 States Congress to pass this amendment to protect patients from overwhelming financial
70 burdens for emergency medical services.

71 BE IT FURTHER RESOLVED that a copy of this resolution be sent to the Majority
72 Leader of the United States Senate, the Speaker of the United States House of Representatives,
73 the United States Department of Transportation, the Federal Aviation Administration, the
74 National Conference of State Legislatures, and the members of Utah's congressional
75 delegation.

Legislative Review Note
Office of Legislative Research and General Counsel