

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Joint Resolution 5 (Senator Kelley, *et al.*)

Finance

Rules and Executive Nominations

Congressional Action - Surprise Billing - Air Ambulance

This joint resolution urges the U.S. Congress to pass legislation that prohibits balance billing of consumers by air ambulances that do not participate in a consumer's insurance carrier network.

Fiscal Summary

State Effect: Compliance with this joint resolution does not affect State finances.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: Air ambulance companies are licensed to operate by the Maryland Institute for Emergency Medical Services Systems. Licenses are valid for one year. Air ambulance companies providing scene transport may bill the patient or the patient's insurance company but may not seek reimbursement from the State, a local jurisdiction, a municipality, or a volunteer fire company. A small number of patients transported by an air ambulance company could be faced with a sizeable bill if the service is not covered by their payor, the air ambulance company is not part of their insurance company's provider network, or they are uninsured and do not meet the requirements of the air ambulance company's charity care policy.

The federal Airline Deregulation Act preempts states' ability to "enact or enforce a law, regulation, or other provision having the force and effect of law related to price, route, or

service of an air carrier that may provide air transportation.” In 2006, at the direction of the General Assembly, the Maryland Health Care Commission conducted an Air Ambulance Study, which examined the cost and reimbursement for services provided by air ambulance companies.

The federal Patient Protection and Affordable Care Act requires nongrandfathered health plans to cover 10 essential health benefits, including emergency services. This benefit must include emergency ambulance transportation by ground, water, or air. Medically necessary ambulance services are covered under Maryland’s benchmark plan without any permissible exclusion for air ambulances. Coverage is currently required for nongrandfathered individual health benefit plans and both grandfathered and nongrandfathered small group health benefit plans.

According to a March 2019 report by the U.S. Government Accountability Office (GAO), 69% of about 20,700 air ambulance transports of privately insured patients were out of network in 2017. The median price charged by air ambulance providers was \$36,400 for a helicopter transport and \$40,600 for a fixed-wing transport in 2017. The report noted that, between 2014 and 2018, Maryland received about two dozen complaints regarding balance billing of air ambulance charges, with bills ranging from \$12,300 to \$52,000. GAO advises that, as required by recent federal law, the U.S. Secretary of Transportation has taken steps to form an advisory committee to, among other things, recommend options to prevent instances of balance billing.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): U.S. Government Accountability Office; Department of Legislative Services

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