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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE RESOLUTION

No. 337 Session of  
2017

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INTRODUCED BY PICKETT, MAY 18, 2017

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REFERRED TO COMMITTEE ON INSURANCE, MAY 18, 2017

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A RESOLUTION

1 Urging the Congress of the United States to enact legislation  
2 that would allow states to regulate air ambulance billing and  
3 pricing practices.

4 WHEREAS, On February 28, 2017, United States Senator Jon  
5 Tester of Montana introduced S.471, the "Isla Rose Life Flight  
6 Act," to preserve state authority to regulate air carriers  
7 providing air ambulance service, rein in exorbitant air  
8 ambulance costs and provide families with financial certainty  
9 while they are facing life-threatening situations; and

10 WHEREAS, Air ambulances are specially equipped aircraft,  
11 usually helicopters, which are used to ferry sick or injured  
12 individuals in emergencies; and

13 WHEREAS, States are currently prohibited from regulating  
14 nearly all transportation aspects of air ambulance operations;  
15 and

16 WHEREAS, As the air ambulance industry has grown, so too have  
17 complaints about costs and the lack of regulations; and

18 WHEREAS, States that have attempted to enact legislation or  
19 promulgate regulations regarding air ambulances have been

1 challenged with lawsuits that argue that air ambulances fall  
2 under the Airline Deregulation Act (Public Law 95-504, 92 Stat.  
3 1705), which prevents states from interfering with fares, routes  
4 and services; and

5 WHEREAS, In March 2016, the United States District Court for  
6 the District of North Dakota, permanently enjoined North Dakota  
7 from enforcing a state law that established a primary call list  
8 for air ambulance operators that became "participating  
9 providers" with insurance companies in the state and that set a  
10 fee schedule for reimbursement of air ambulance transportation  
11 in cases managed by the state-run workers' compensation system,  
12 thereby determining that the Airline Deregulation Act expressly  
13 preempts the law as an improper regulation of an operator's  
14 services and prices; and

15 WHEREAS, The Airline Deregulation Act was meant to increase  
16 competition, reduce rates and improve passenger service, but  
17 competition among air ambulance providers has resulted in the  
18 opposite effect because the industry has high fixed costs,  
19 including aircraft, pilots and trained medical staff; and

20 WHEREAS, In Pennsylvania, especially in rural areas, air  
21 ambulance service is an essential asset in providing timely  
22 emergency care; and

23 WHEREAS, Given the low reimbursement for Medicare and  
24 Medicaid, the air ambulance industry is charging individuals  
25 with private insurance an inflated price to make up the  
26 difference; and

27 WHEREAS, According to industry data, more than 1,000 air  
28 ambulances now operate in the United States, which is twice as  
29 many as in 2000; and

30 WHEREAS, Four private air ambulance companies account for

1 half of the industry's revenue; and

2 WHEREAS, According to Consumer Reports in April 2017, the  
3 average charge from one air ambulance company rose from  
4 approximately \$13,000 in 2007 to \$50,200 in 2016; and

5 WHEREAS, The average bill for air ambulance services within  
6 the industry was \$32,895 in 2014; and

7 WHEREAS, Rick Sherlock, the president and CEO of the  
8 Association of Air Medical Services, a trade group, has stated  
9 that many air ambulance patients are on Medicare or Medicaid and  
10 that those programs pay \$200 to \$6,000 per transport; and

11 WHEREAS, The real cost of providing air transport averages  
12 approximately \$7,000, according to Jon Hanlon, founder of  
13 Research 360, and an analysis by New Mexico's Office of  
14 Superintendent of Insurance indicates that the costs average  
15 approximately \$10,000; and

16 WHEREAS, The Insurance Committee of the House of  
17 Representatives of the Commonwealth of Pennsylvania held an  
18 informational meeting on air ambulance costs and services in  
19 April 2017 and received testimony from the Department of Health,  
20 the Insurance Commissioner, air ambulance companies and an  
21 insurer; therefore be it

22 RESOLVED, That the House of Representatives of the  
23 Commonwealth of Pennsylvania urge the Congress of the United  
24 States to enact legislation that would allow states to regulate  
25 air ambulance billing and pricing practices; and be it further

26 RESOLVED, That the House of Representatives urge the Congress  
27 of the United States to take favorable action on S.471; and be  
28 it further

29 RESOLVED, That a copy of this resolution be transmitted to  
30 the presiding officers of each house of Congress and to each

1 member of Congress from Pennsylvania.