

Sent via e-mail to: nick.cavey@maryland.gov

September 13, 2015

RE: Public Meeting on Balance Billing by Air Ambulance Companies in Maryland

Dear Messrs. Al Redmer and Nick Cavey:

Thank you for scheduling the public meeting to address this important issue. We will have representatives from Air Methods in attendance but also wanted to present you with information about our company and industry for your consideration ahead of the meeting.

High Quality Critical Care Access

Air Methods has proudly provided critical care access to the residents of Maryland for many years and everyone deserves access to lifesaving care. Quality emergency care doesn't begin in the hospital emergency room, it begins the moment a life-threatening injury or illness strikes. At Air Methods, when we answer the call, we know each patient faces an imminent threat to life. We also know that every minute counts. Our advanced fleet is ready to deploy - 24/7/365 - with highly trained clinicians prepared to deliver care the moment we reach a patient. We provide crucial medical interventions that cannot be provided in a ground ambulance or local publicly operated rescue services and deliver patients to our partners in hospital settings who continue providing lifesaving care and set patients on a path to recovery. Without emergency air medical transport and treatment, access to lifesaving care at the hospital ER is severely limited. Air Methods works seamlessly with our hospital partners to provide a critical part of quality emergency care that saves lives.

Cost Drivers

Like a fire station, our fleet and highly trained clinicians are always ready to deploy every moment of every day, whether there is an emergency or not. Real-time deployment readiness requires enormous financial resources and ongoing investment. Aircraft, equipment, highly specialized staff - both clinical and aviation - and ongoing training are only part of the equation. Our bases must be fully staffed and operational 24 hours a day, seven days a week. We must also meet strict and costly regulations from the FAA as well as a variety of local and federal healthcare oversight bodies. Eighty-four percent (84%) of our costs for operating an air medical base are fixed, meaning we incur those costs just by staying ready at all times. When we are asked to save a life, we deploy without regard to a patient's ability to pay. That means we sometimes don't receive payment for our services. And the payments we receive for Medicare or Medicaid patients don't come close to covering the actual cost we incur for providing our service. These burdens have significant impacts and force increases in the price of emergency air medical transport and treatment. We seek every efficiency and innovation to keep our costs down. However, the nature of our service - and the complexities of the healthcare industry - dictate costs that are beyond our control.

Health Insurance -- Out-of-Network vs. In-Network

The core purpose of health insurance is to protect individuals from catastrophic events. Yet private health plans continue to shift toward high deductible, high out-of-pocket models, reducing coverage for their members. Emergency air medical transport and treatment is among the many crucial medical services where some health plans are seeking to limit or cut payments. If Air Methods was in-network with health plans, the payments we would receive for our lifesaving care would be significantly decreased, impacting our ability to invest in people, service and necessary

equipment. We already face unsustainable payment rates from government health plans, including Medicare and Medicaid, whose payments to us are set by federal law and don't come close to covering the actual cost for providing our service. By being an out-of-network provider - much like an emergency room at a hospital that may be out of a private health plan member's network - we retain flexibility in our ability to be paid fair rates by health plans and patients that reflect the true cost of our lifesaving service. It's really our only choice when insurance companies refuse to pay what a service costs to provide.

While many health plans continue to shrink the coverage they provide to their members, there are a few cases where we have been able to partner successfully with an insurance company. In a handful of markets, we have in-network relationships with health plans. These partners recognize the value of our lifesaving care, and offer coverage for emergency air medical transport and treatment that protects patients while paying rates that reflect the true cost of our lifesaving service and allow us to be financially sustainable. In-network relationships with health plans are the exception and not the rule. And as some health insurance companies continue their move toward benefit plans that reduce coverage for their members, we don't anticipate a change in those companies' efforts to limit or cut coverage of emergency air medical transport and treatment. We will continue to remain out-of-network with such plans, retaining the flexibility necessary to be paid fair rates by health plans and patients that reflect the true cost of our lifesaving service.

Meeting Request

Again, our highest priority is to provide high quality critical care access to patients in their hour of need. When it comes to paying for that service, we are open to working with insurance companies to ensure adequate coverage for their members. We would love the opportunity to meet with you ahead of the public venue to offer our insight and answer any questions you have. Ruthie Hubka from our government relations group will be reaching out to your team to coordinate a meeting.

Thank you,

A handwritten signature in blue ink, appearing to read "Mike Allen".

Mike Allen
President
Domestic Air Medical Services



EXECUTIVE SUMMARY

Air Methods is the largest air medical provider in the world. As the industry leader, we are continuously seeking to raise the standards of aviation safety and quality critical care for our industry and ourselves. Our 4,000 employees serve 48 U.S. states, including thousands of communities each and every day. At the heart of our mission is giving more tomorrows; every year Air Methods transports approximately 100,000 patients.

GOVERNMENT RELATIONS	KEY ISSUES	OPERATIONS
<p>Largest Air Medical Provider in the World Sixth-largest Operating Certificate in the U.S. with 386 EMS and 62 tourism aircraft</p> <p>Patients Served Provided critical care transport to approximately 100,000 patients in 2014</p> <p>Congressional Districts 175 Congressional Districts or 40 percent of the Congress has at least one base or more</p> <p>Federal Income/Payroll Taxes \$41 million in 2014</p> <p>Average Employee Salary \$60,000/year</p> <p>Annual Training Hours Flight: 80 hours per pilot, per year Medical: 100 hours per clinician, per year</p>	<ul style="list-style-type: none"> • Medicaid/Medicare Reimbursement Rates • Medicare Rural Modifiers to Support Rural Air Medical Coverage • Establishing Best-in-Class Clinical Standards for Industry • Consistent FAA Oversight and Reasonable Rulemaking with Industry Participation • Airline Deregulation Act (ADA) <hr/> <p>COMPANY</p> <p>Headquarters - Centennial Airport, Englewood, Colo.</p> <p>Employees - 4,474 nationwide</p> <p>Established - 1980 by Roy Morgan</p> <p>Services</p> <ul style="list-style-type: none"> • Air Medical Transport • Air Methods Communications • Complete Billing Solutions • Direct Patient Logistics • LifeShield Alliance • TAMMA • United Rotorcraft 	<p>States Served - 48</p> <p>Bases - 289</p> <ul style="list-style-type: none"> • 107 Hospital • 177 Community/ADM • 5 Government <p>2014 Flight Hours - 141,987</p> <p>2014 Transports - 98,349</p> <p>Fleet Composition</p> <ul style="list-style-type: none"> • 386 EMS • 62 Tourism <p>Standard Helicopter Safety Technologies</p> <ul style="list-style-type: none"> • Night Vision Goggles (NVG) • Helicopter Terrain Avoidance Warning System (HTAWS) • XM Satellite Weather • GPS Navigation • Satellite Tracking • Wire Strike

REV 9/15

PROTECTING CRITICAL CARE ACCESS



Air Methods is a critical part of quality emergency care

- » Emergency air transport and treatment requires significant financial investment and includes costs beyond Air Methods' control.
- » Bases are fully staffed and operational 24 hours a day, seven days a week.
- » Real-time deployment readiness requires enormous financial resources and ongoing investment. Aircraft, equipment, highly specialized staff - both clinical and aviation - and ongoing training are only part of the equation.
- » 80 percent of the costs for operating an air medical base are fixed, meaning Air Methods incur those costs just by staying ready at all times.
- » Air Methods must also meet strict and costly regulations from the FAA as well as a variety of local and federal healthcare oversight bodies.
- » When asked to save a life, Air Methods deploys without regard to a patient's ability to pay and responds only when called by a physician or first responder.
- » Air Methods seeks every efficiency and innovation to keep costs down. But the nature of the service - and the complexities of the healthcare industry - dictate costs that are beyond our control.
- » Air Methods takes very seriously its commitment to helping those patients with financial hardship, and the emergency medical care provider has a long-established charity care program for those who can demonstrate a diminished ability to pay.
- » Customer service professionals are available and ready to assist patients with questions or concerns with the handling of their account.
- » Air Methods offers a membership plan called OmniAdvantage for \$49/year that provides members (and their families) coverage if they are transported via Air Methods. In other words, patients will not be billed anything beyond what their health insurance carrier pays.

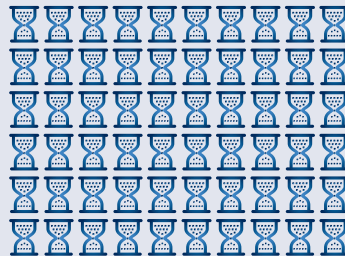
U.S. Air Ambulance landscape (according to Association of Air Medical Services)

- » There was a 22 percent decrease in rural hospitals from 1991 to 2011.
- » Air medical transport programs are a cost-effective means of extending access to high-quality health care and trauma care for areas of the United States that currently have none.
- » The average direct cost to operate an 24/7/365 air medical base transporting 300 patients each year is \$2,769,820. This does not include the cost of transporting patients with little or no coverage, which represents more than 68 percent of air medical transports.

82
MILLION



Number of Americans that can access a Level I or II trauma center within 60 minutes ONLY if they are flown by helicopter.

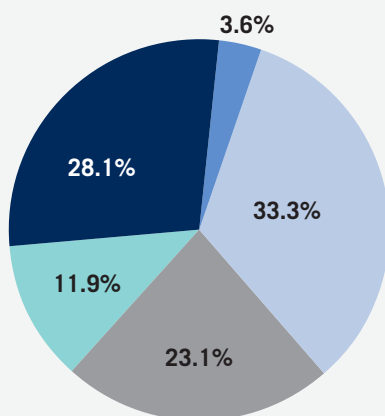


25%

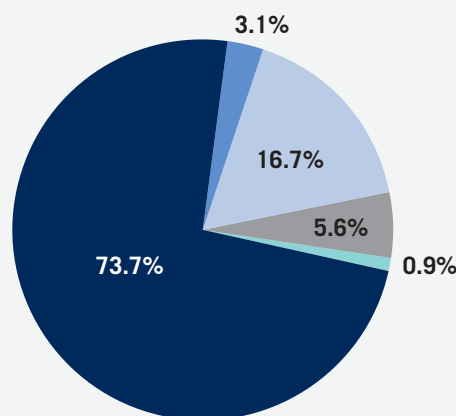
Reduction in deaths

for severely injured patients who receive care at a Level I trauma center rather than at a normal non-trauma center.

2014 REVENUE SNAPSHOT



TRANSPORT MIX



REVENUE MIX

- Private insurance carriers
- Government-sponsored insurance plans
- Medicare
- Medicaid
- Self-pay patients



ESMEC HEALTH INSURANCE ALLIANCE

Caroline County Public Schools
204 Franklin Street
Denton, Maryland 21629
Milton E. Nagel, CPA, Chairman

Phone: (410) 479-1210
Fax: (410) 479-2741
E-Mail: milton_nagel@mail.cl.k12.md.us

September 15, 2015

Office of the Commissioner
Maryland Insurance Administration
200 St. Paul Place
Baltimore, MD 21202

Dear Mr. Commissioner:

I am writing to you as the representative of the Board of Trustees of the Eastern Shore of Maryland Educational Consortium (ESMEC) Health Insurance Alliance. We are the largest single purchaser of health insurance on the Shore, with more than 11,000 covered individuals, consisting of employees and retirees of six school systems and one county government. We feel very fortunate to live in an area of such rural beauty, but to also have access to some of the finest healthcare providers in the world.

The purpose of this letter is to make you aware of an issue that is of great concern to our members. We have had an increasing number of instances where individuals covered by our health plan were transported via air ambulance from a general hospital on the Shore to Johns Hopkins or University of Maryland Medical System (UMMS). This is a benefit covered by the ESMEC plan (as differentiated from air ambulance services provided by the State from the scene of the initial incident). Our health insurance plan is administered by CareFirst Blue Cross Blue Shield (CareFirst). We have been informed by our contacts at CareFirst that there are three companies providing this service in Maryland: AirEvac Services; PHI Inc.; and Rocky Mountain Holdings. Currently, none of these are participating providers with John Hopkins, UMMS or CareFirst. The issue for our members is the very significant out-of-pocket expense when a non-participating provider is used. In one of these instances, the balance bill amount was \$52,000. These companies eight years ago charged on average \$10,000 per trip, it is now over \$40,000. Such an increase is, in our opinion, extortionist. The balance bill far exceeds the capacity to pay for any single member, which are subsequently forcing them to make significant lifestyle changes to include but not limited to bankruptcy. It is a situation almost entirely out of the control of our members. You can well imagine that a person in the position of making a decision to have a loved one transported to a Baltimore hospital, for treatment recommended by their physician, is not likely to be thinking of whether the provider is participating or not (especially when the receiving institution is in the network). So it has come as a great shock to them to be presented with a bill of that magnitude when they have very little (or no) choice in the matter.

We have had discussions with both CareFirst and the medical facilities without any resolution. A copy of the most recent correspondence from CareFirst is attached. We have also discussed this at an ESMEC Board of Trustees meeting. Although we have the ability to decide to cover all charges in full for a non-participating provider, we feel that would send the wrong message. It would reward these companies that

are unable to come to an agreement with the medical facilities and the insurance companies. We believe CareFirst, the medical facilities and the air ambulance companies need to negotiate in good faith to reach a compromise. Based on the data we have, the reimbursement by CareFirst of air ambulance services has changed minimally in eight years (although we have just learned that may have recently changed). Consequently, we are asking you to exercise any and all influence you can to force these entities to work together to reach a compromise.

I feel it is also important to point out that this is not an issue affecting only ESMEC members. We are aware of similar situations in Wicomico County, as well as in Southern and Western Maryland.

Thank you for your attention to this matter.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'M. Nagel', written in a cursive style.

Milton E. Nagel, CPA
Chairman

Chet Burrell
President and Chief Executive Officer

CareFirst BlueCross BlueShield
1501 S. Clinton Street, 17th Floor
Baltimore, MD 21224-5744
Tel: 410-605-2558
Fax: 410-781-7606
chet.burrell@carefirst.com



March 23, 2015

Mr. Milton E. Nagel, CPA, Chairman
ESMEC Health Insurance Alliance
Caroline County Public Schools
204 Franklin Street
Denton, MD 21629

Dear Mr. Nagel,

I am in receipt of your letter dated February 27, 2015 regarding the very unfortunate situation encountered by CareFirst members living on the Eastern Shore when transported by air due to medical circumstances. We have been aware of this situation and have taken many steps, short of agreeing to pay the egregious charges billed by these air ambulance providers.

We have identified, as mentioned in your letter, two non-participating air transport providers used by Eastern Shore hospitals: PHI, Inc. and Rocky Mountain Holdings (the billing company for Air Methods). We have not found any claims from Air Evac Services. The members and date of services identified as using Air Evac Services actually used PHI, Inc. as was evidenced on the claims we received.

PHI, is by far, the most used non-participating air transport company. The University of Maryland Health System (UMMS) has an exclusive arrangement with PHI, Inc. to provide air transport between their member Hospitals. As you know, UMMS has three member hospitals on the Eastern Shore: UM Shore Medical Center of Chestertown, UM Shore Medical Center of Dorchester and UM Shore Medical Center of Easton.

PHI, Inc. was a participating provider with CareFirst until July, 2013 when they terminated their agreement so that they could charge higher fees. We were concerned when we received the termination notice and worked aggressively with PHI and UMMS to reach an agreement which would allow PHI, Inc. to stay in network. These discussions were not successful. We believed we offered more than fair and competitive rates. Quite frankly, at that point in time, we did not find PHI interested in staying in our network. Providing services out of network, allows them to negotiate "single case" agreements with self-insured accounts and insurers at very near their extremely high charge level.

Rocky Mountain Holdings is a billing company that supports services provided by Air Methods. This provider is used much less than PHI, Inc., but we have seen a few non-participating claims from the Eastern Shore and Western Maryland. The hospitals that appear to be using Air Methods are Peninsula Regional Medical Center and Meritus Health System in Hagerstown. We have attempted to contract with Rocky Mountain Holdings. However, they have responded that they are not interested. We have raised the issue with executives at Meritus Health System, with no success. We are also discussing currently the issue with Peninsula Regional Medical Center.

I personally wrote a letter to the CEO of UMMS on January 6, 2015 to express our grave concern regarding this issue. CareFirst has also discussed this with legislative leaders who have expressed concern regarding this issue. We reopened discussions with PHI, Inc. in fourth quarter of 2014, but again were unsuccessful in obtaining an agreement on reasonable terms despite being willing to pay market reasonable rates. To put the situation in perspective, the average charge for the cases identified was \$41,805. As a reference point, Medicare would have allowed \$7,680 for these transports. We have two participating air ambulance providers in our network: MedStar Air Transport and Center for Emergency Medicine of Western PA d/b/a Stat MediVac with whom we have reasonable cost agreements.

As a result of my letter to UMMS on January 6, 2015 our team is working directly with the UMMS staff and have engaged PHI yet again in contract discussions. We seek a positive result. The charges billed by these providers are outrageous and we will continue to seek a remedy until we achieve one – even if it takes statutory change to accomplish it.

We will keep you posted regarding our efforts.



Chet Burrell
President and Chief Executive Officer

cc: The Honorable Thomas M. Middleton
The Honorable Peter A. Hammen
The Honorable Adelaide C. Eckardt
The Honorable Stephen S. Hershey, Jr.
The Honorable Christopher T. Adams
The Honorable Steven J. Arentz
The Honorable Jefferson L. Ghrist
The Honorable Jay A. Jacobs
The Honorable Johnny Mautz
Robert A. Chrencik, President and Chief Executive Officer, University of Maryland Medical Center



Nick Cavey -MDInsurance- <nick.cavey@maryland.gov>

Gallatin County considering air ambulance insurance...\$3.12 per person (AIR AMBULANCE BILLING)

1 message

Dick Johnson <ghcincdj@verizon.net>
To: nick.cavey@maryland.gov

Tue, Oct 6, 2015 at 5:57 PM

FYI:

Gallatin County considering air ambulance insurance...\$3.12per person

Theyasked commissioners to consider spending \$295,752 for a year of air ambulanceinsurance. Divided, the cost to cover every Gallatin County resident would beabout \$3.12 per person.

FullStory: http://www.bozemandailychronicle.com/news/county/gallatin-county-considering-air-ambulance-insurance/article_84f8f78d-4774-58f2-8524-39f8e2223288.html

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On 09/02/15, Dick Johnson<ghcincdj@verizon.net> wrote:

TO: Mr. Nick Cavey

FROM: Dick Johnson, Catonsville Md. (410)-788-2301)

RE: PUBLIC INFORMATIONAL MEETING ON BALANCE BILLING BY AIR AMBULANCE COMPANIES IN THE STATE OF MARYLAND

DATE: AUGUST 19, 2015

ATTACHMENT: Incomplete and bias report by ALL the State of Maryland stakeholders. File 13.

Public Input:

The subject matter is not just a Maryland issue. It is a national and international issue. To help explain concerns on this subject, please allow me to share with the Maryland Insurance

Commission the following links below:

Legislative committee takes up air ambulance costs

http://www.bozemandailychronicle.com/news/politics/legislative-committee-takes-up-air-ambulance-costs/article_cba2b99c-ba19-57c1-bfad-18144ffa6e40.html

“Montana lawmakers on the Economic Affairs Interim Committee will, on Tuesday, teleconference with Rebecca Ternes, North Dakota’s deputy insurance commissioner”

Membership Offered to Alleviate Unexpected Cost of Air Ambulance Transport

<http://mauinow.com/2015/08/25/membership-offered-to-alleviate-unexpected-cost-of-air-ambulance-transport/>

“American Medical Response is now offering an air ambulance medical program for Hawai‘i residents, to alleviate any non-covered expenses associate with medical transport aboard an AMR Air Ambulance.”

<http://ecatalina.com/news/2015-08-29/Air-Ambulance-Plans-Lower-Helicopter-Costs>

Air Ambulance Plans Lower Helicopter Costs

AVALON, CATALINA ISLAND

DISCLAIMER: I do not pretend to be a helicopter economic and industry analyst or an aviator. I am not employed by any of the aeromedical companies. My interest and knowledge in this subject matter started many years ago.

I sincerely would like to thank Mr. Al Redmer and his staff for addressing this important subject matter.

Respectfully Submitted,

Dick Johnson

Catalina Island

A unique destination off the Southern California coast

Comments?

[Save \(/planner_add.php?item_id=43284\)](#)

Air Ambulance Plans Lower Helicopter Costs

Saturday, August 29, 2015

[CatalinaIslandMedicalCenter.org](http://www.CatalinaIslandMedicalCenter.org)

(<http://www.CatalinaIslandMedicalCenter.org>)



(/images/news/img/3284_1.jpg)



(/images/news/img/3284_2.jpg)

(Click image to view larger)

AVALON, CATALINA ISLAND - Living or visiting Catalina is idyllic until a major illness or injury strikes. Then the beautiful ocean that surrounds the island can become a barrier to getting loved ones to emergency or specialized medical care. If a medical emergency meets certain criteria as determined by the paramedics in the field or by a physician at CIMC that a patient needs immediate transport to a tertiary medical center, air medical transport may be the best option. When emergent conditions arise CIMC typically works with MercyAir, the US Coast Guard, and the Los Angeles County Sherriff's Department to get a patient transported. Which air service is used may depend upon the patient's condition, weather conditions or availability and configuration of air ships.

As one might expect, air ambulance services are expensive and therefore many health insurance policies note that air ambulances are to be used "for medical necessity only." This method of transport with the cost of the air ship, its operating cost and the fact it is staffed with a flight crew that is essentially an intensive unit

crew can quickly add up. In the United States, it's not unusual for the cost of transport to be in the range of \$15,000 to \$50,000. For most of us, this is beyond what we would like to pay out of pocket.

Most health insurance policies will pay for at least a small portion of a justified air medical transport, but the individual is then faced with paying the balance of the bill which can amount to thousands of dollars.

For residents of the Island, in addition to the coverage provided by your individual or group health insurance policy, there are several additional options with companies providing club membership or insurance programs to reduce or eliminate air transport costs beyond what your regular health insurance plan may cover. Typically these plans are available for individuals or families and can be as low as \$49 per year per family as with the OMNIADVANTAGE product. Usually these plans operate without limits as to the number of times the service is used. Depending upon the plan, once your regular health insurance has paid, your air club membership or air insurance may pick up the rest of the cost and there may not be a balance due from you the patient.

Uninsured individuals may also be able to purchase membership coverage. Seniors covered by Medicare Part B or Medicare Advantage HMOs qualify for most standard memberships. Some seniors also have a Medicare supplement policy and, depending upon the plan, they may cover out-of-pocket expenses. Many seniors have said they want a membership even if they have complete coverage in the event their insurance coverage changes in the future or if the claim is denied. Often-times supplemental insurance won't pay if your primary denies the claim. In those circumstances, membership may be beneficial.

Products commonly available on the Island include:

- OMNI ADVANTAGE. This is a program available through Air Methods Corporation which is the parent corporation for MercyAir. They say their plan is applicable anywhere it or its subsidiaries fly. This program may be advantageous for those who travel internationally less frequently and are more interested in coverage just off the Island or in the continental United States. Detailed club membership information on their product can be found at www.airmethods.com/omniadvantage
- MASA. For 40 years Medical Air Services Association (MASA) has been providing lifesaving transportation service coverage and giving over 1 million of their members a peace of mind. They have a longstanding history of providing transport coverage over much of the globe. For those who are out of country frequently this may be the plan for you. More information on their plan can be found at www.masaassist.com

While no one can predict a medical emergency, individuals can do some things to help reduce the financial impact. Know the limits of any policy that is purchased and determine if it is right for the greatest needs of you the member. If you have questions about the various plans and costs, specific information is available online or by calling Catalina Island Medical Center (310) 510-0700.

Viewed: 422 times

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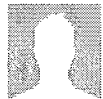
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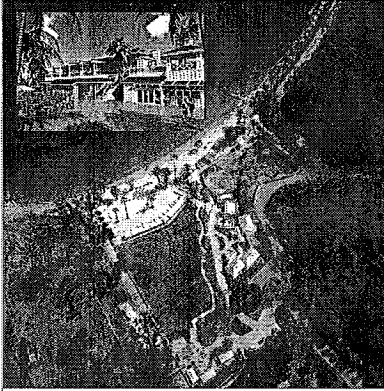
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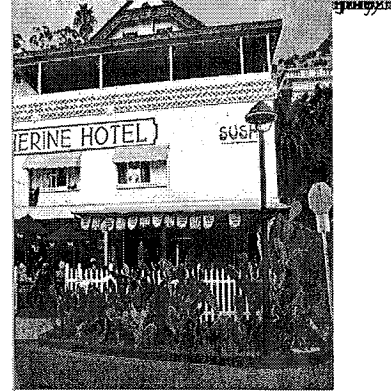
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ecatalina.com

AddThis (<http://www.addthis.com/website-tools/overview?>)



Gallatin County considering air ambulance insurance

By Troy Carter Chronicle Staff Writer Sep 30, 2015

One evening last September, 53-year-old Steve Cutler of Four Corners was training a roping horse for his daughter when a freak accident sent him to the hospital.

"I was coming down and the horse was coming up and we met in the middle," Cutler told the Chronicle on Wednesday. "I jumped off and knew right away what had happened. The ironic thing is I rode bucking horse in the rodeo for 20 years."

Hospital staff at the time couldn't say for certain if he was bleeding internally. They said there was a small chance he could die. Cutler was given the option to take an air ambulance to a Salt Lake City hospital. He accepted and boarded a small jet in Belgrade.

After the fact, Cutler learned that his \$1,500 per month health insurance from Montana's largest provider would only cover \$12,000 of the \$72,000 bill from Summit Air Ambulance. He was left with a \$60,000 bill.

Now, Summit Air Ambulance is asking the county to consider buying insurance that would cover every resident in Gallatin County in case they need air ambulance service.

Gary Robson, membership sales manager for AirMedCare network, and Thomas Coble, regional manager for Summit Air Ambulance, gave Gallatin County commissioners Steve White and Joe Skinner a sales pitch Wednesday.

They asked commissioners to consider spending \$295,752 for a year of air ambulance insurance. Divided, the cost to cover every Gallatin County resident would be about \$3.12 per person.

Welcome! Please enjoy the Chronicle's free content.

Summit Air has helicopters stationed in Butte, Bozeman, Helena and Cody, Wyoming. The company assists the county's search and rescue efforts with negotiated rates and currently allows residents to buy a \$65 per year membership to cover air ambulance service if they need it.

"We utilize our membership program to eliminate the out-of-pocket exposure to the patients," Robson told commissioners.

He estimated that 15 to 20 people were being transported by air ambulance in Gallatin County every month.

White questioned whether health insurance was the government's responsibility and asked whether the insurance would cover vacation homeowners who are not county residents or university students. Robson said he'd need to check.

Either way, the commission has plenty of time to consider the proposal. Skinner said there's no way they could spend the money without it going through the annual budget process, which, for the 2016 budget, was finished in August.

Robson also provided a list of over 60 other local governments that have purchased a plan — most in Texas, none in Montana.

And some patients, those on Medicare and Medicaid, are already covered, he said, so the service would benefit patients with insurance who are "balance billed" for the amount their insurance doesn't cover.

In Cutler's case, he's hired an attorney and has written state lawmakers about his air ambulance debt. He hopes to settle what he sees as a standoff between insurance companies and the air ambulance industry.

The Legislature heard enough stories this spring that lawmakers approved an official study of the matter. The Economic Affairs Interim Committee is doing the research and will decide whether it will sponsor legislation for the 2017 session. The committee's next meeting is slated for Dec. 2.

Troy Carter can be reached at 582-2630 or tcarter@dailychronicle.com. He's on Twitter at [@cartertroy](https://twitter.com/cartertroy).





Plan Code: _____

**AirMedCare Network Municipal Site Membership
For Gallatin County, Montana**

Organization: Gallatin County, MT
Address: 311 West Main St.
Bozeman, MT 59715
Contact: Steve White, Chairman
Phone: 406-862-8000
Email:
County: Gallatin

Membership Sales Manager / Base: Gary Robson / Summit Air Ambulance

Covered Individuals and Transports:

Any individual whom resides within the boundaries of Gallatin County, Montana when transported for medical necessity by Summit Air Ambulance (or any AirMedCare Network Provider) will be covered under the standard terms and conditions for an AirMedCare Network membership (attached), except:

- Transport must be:
 - o From a pickup location in Gallatin County, MT;
- If the covered person transported is uninsured at the time of transport, REACH Air Medical Services will bill the covered person at the "Medicare Allowable Rate" for the transport.

Fees:

Gallatin County, MT will pay to AirMedCare Network a total of \$295,752.00 annual.

Upgrade Benefit to Covered Individuals:

Any individual who resides within the boundaries of Gallatin County, Montana may elect to obtain a full household membership (which waives T&C exemptions listed above and included coverage outside the herein listed service area) for an additional \$35/year.

Duration:

This agreement will be effective upon AirMedCare Network's receipt of (a) this agreement signed by the participating Organization AND (b) payment for the amount as provided above. This agreement will be effective for one (1) year, and will be evaluated by both parties for renewal at least thirty (30) days prior to the end of the one (1) year term.



Page 1 of 3

Initial _____

(/airmedcare-municipal-membership-proposal-gallatin-county-mt/pdf_a509d305-7f5d-5e6b-be95-c2debd51e104.html)

AirMedCare Municipal Membership proposal Gallatin County, MT ([/airmedcare-municipal-membership-proposal-gallatin-county-mt/pdf_a509d305-7f5d-5e6b-be95-c2debd51e104.html](#))

Troy Carter (<https://bozemandailychronicle-dot-com.bloxcms.com/users/profile/tcarter>)

Politics and County Government Reporter



MAUI NEWS

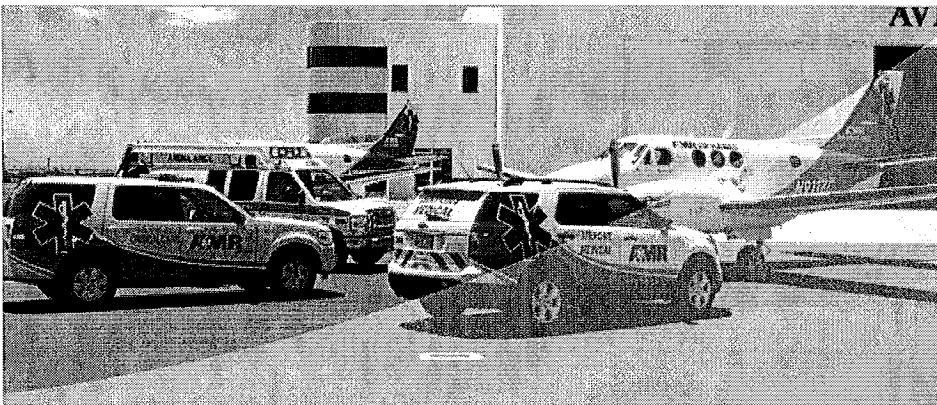
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Membership Offered to Alleviate Unexpected Cost of Air Ambulance Transport

By Maui Now

Posted August 25, 2015, 03:38 PM HST
Updated August 26, 2015, 05:04 AM HST

0 Comments



AMR Hawaii courtesy image.

By Maui Now Staff

American Medical Response is now offering an air ambulance medical program for Hawai'i residents, to alleviate any non-covered expenses associate with medical transport aboard an AMR Air Ambulance.

It's been reported that uncovered air medical transports can cost upward of \$40,000.

Under the program, members would get prepaid protection against covered emergency

transportation costs that exceed a member's health insurance or medical benefits.

As a member, AMR representatives say the patient will not experience any out-of-pocket expenses for a medically necessary transport provided by AMR Air Ambulance. "AMR accepts your insurance payment as payment in full," representatives said.

"AMR Air Ambulance is concerned about both the clinical aspect of a medical transport as well as the financial impact on patients," said Speedy Bailey, General Manager of AMR Hawai'i in a statement. "I am proud to say that our costs are much lower and with the new membership programs, patients can alleviate those unplanned bills."

ADVERTISEMENT

AMR is working with local hospitals, case managers and insurance providers, to inform them of the new program and partner with them to arrange air medical transportation.

American Medical Response recently celebrated the second Anniversary of AMR Air Hawai'i, providing critical care air ambulance services to the state. "The program is built on a foundation of safety," said Bailey.

AMR Air Hawai'i is the only air ambulance provider in the state that provides two pilots on every mission, and that holds national accreditation from the Commission on Accreditation of Medical Transport Systems.

The current fleet of four fixed-winged King Air C90's are based on the Big Island of Hawai'i, Maui and O'ahu.

TAGS: [Air Ambulance](#) [air ambulance hawaii](#) [American Medical Response](#) [amr hawaii](#) [Medevac](#) [medevac hawaii](#) [medevac maui](#)



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Health Education and Advocacy Unit (HEAU)
Consumer Protection Division
Office of the Attorney General

Medical emergencies are tough enough for consumers to handle—they certainly don't need the additional hardships caused when consumers are forced to pay large bills for emergency medical transports, only a fraction of which is reimbursed by the health insurance carrier.

As one widow wrote in her balance billing complaint to HEAU:

“This has really been a tough year for me after losing my husband. I have been trying to work with [CareFirst] Blue Cross Blue Shield and PHI to get this issue resolved. But it seems like I am being told different things from Blue Cross Blue Shield and PHI. They are both blaming one another. This is why I reached out to Maryland Insurance Administration and the Attorney General's Office to get this issue resolved. I cannot afford to pay this [\$34,000] bill and would really appreciate if your office can help resolve this issue.”

The mother and father whose 3 month old infant was an emergency transport from Shady Grove Hospital to Georgetown Hospital wrote, after insurance paid \$5,800 of the \$31,000 bill:

“At no time did we know that [CareFirst] did not cover air ambulance, furthermore, PHI as service provider, engaged in this type of business, knew or should have known the insurance company did not cover air ambulance. Most importantly, while this service significantly increased our daughter's chance of survival, the air ambulance service was specifically recommended by the doctors at Shady Grove Hospital, given our daughter's grave situation. There is absolutely no way we can afford this; we feel as though a fraud has been perpetrated against us both by PHI and BlueCross Blue Shield. It is our sincere hope you help us resolve this huge burden that is looming over us.”

In all of the balance billing complaints filed with HEAU, consumers describe getting stuck between insurance companies that say air ambulance companies are charging too much, and air ambulance companies that say insurance company payments are too low.

In almost all of the HEAU's complaints involving balance billing for air ambulance services PHI or Rocky Mountain Holdings provided the air ambulance service and CareFirst was the health insurer.

The average charge for transport by Rocky Mountain and related entities increased from \$17, 796 in 2013 to \$41, 802 in 2014. The number of trips decreased from 115 in 2013 to 76 in 2014, but total billings increased by \$1.1 million dollars.

The average charge for transport by PHI increased from \$14,358 in 2013 to \$37,102 in 2014. The number of trips decreased from 313 in 2013 to 247 in 2014 but total billings increased by \$4.6 million dollars.

In other words, PHI and Rocky Mountain more than doubled their average price per trip over the last two years, while the demand for their services decreased.

In order to be able to better assess the scope of this issue, the HEAU believes that more information is needed about (1) the actual cost of providing emergency air transport, and (2) how CareFirst determines the amount that it is willing to compensate air ambulance companies for providing emergency transport services.



Nick Cavey -MDInsurance- <nick.cavey@maryland.gov>

Fwd: Air Ambulance Bills

1 message

Insurance Commissioner -MDInsurance- <insurance.mia@maryland.gov> Tue, Sep 8, 2015 at 1:30 PM
To: Nancy Egan <negan@mdinsurance.state.md.us>, Nick Cavey -MDInsurance- <nick.cavey@maryland.gov>

FYI. Here is another email that came to us via MIA's website with regard to air ambulance.

Maria

----- Forwarded message -----

From: **Dan Andrews** <dan@lifeshieldalliance.com>
Date: Wed, Sep 2, 2015 at 10:40 AM
Subject: Air Ambulance Bills
To: insurance.mia@maryland.gov

Dear Mr. Redmer:

In anticipation of your upcoming meeting on September 18th to discuss air ambulance bills, I wanted to introduce you to our membership product, LifeShield Alliance (www.lifeshieldalliance.com). In a very brief overview, Lifeshield Alliance is a membership program that:

- Supports air medical safety programs
- Supports research in both the air medical industry and medicine as a whole
- Provided membership benefits
 - Travel, lodging, and shopping discounts
 - \$10,000 fixed indemnity coverage (provided by Chubb) in the event that a member requires air ambulance transport by either helicopter or airplane.

We currently offer memberships in 27 of the 50 United States in those areas where we have been approved as a discretionary group by the Department of Insurance. Our membership program and all of its benefits may not address the underlying issue that you are covering at your meeting. However, if we able to secure approval in Maryland as a discretionary group, we would be in a position to assist any Maryland resident member with a portion of the high cost of transport.

I would be happy to provide you with additional information about our program and/or participate in your upcoming call. I would also be able to have our team put together the appropriate application for approval within your state should you see the need for our services.

I look forward to your response and stand ready to offer any assistance I can.

Dan Andrews – President

[LifeShield Alliance](#)

333 W. Vine St., Ste 1650

Lexington, KY 40507

[\(859\) 264.0275](#)



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Nick Cavey -MDInsurance- <nick.cavey@maryland.gov>

HEARING ON BALANCE BILLING BY AIR AMBULANCE

1 message

Lori Parks-Murphy <loriparks-murphy@hotmail.com>

Fri, Sep 18, 2015 at 7:54 AM

To: "nick.cavey@maryland.gov" <nick.cavey@maryland.gov>

Cc: "Wilson, Brett Delegate" <brett.wilson@house.state.md.us>

Mr. Cavey,

My husband, Kevin Murphy, and I had planned to attend today's hearing, but he has fallen ill so we will be unable to attend. In lieu of our public comments, please refer to our **MIA File # 109762-L-2015-ELW-C**. This appeal includes pertinent information regarding our experience with Air Methods, the only air ambulance company operating in Washington County. You may also share my written comments below with the committee.

To summarize, On May 21, 2014, my husband was transported by air ambulance from Meritus Medical Center in Hagerstown to Johns Hopkins Hospital with a massive internal bleed. The charge for this 63 mile helicopter ride was \$42,863.61. My insurance at the time, CareFirst Blue Cross Blue Shield, paid the allowed benefit amount of \$5,106.79. Because Air Methods was not an in-network provider, they were not obligated to accept the allowed benefit as payment in full. They billed us \$37,756.82—the difference between their initial charge and the insurance payment – and expect us to pay that balance. We have attempted to negotiate a smaller settlement and they have indicated that they would accept 60% (which is still an exorbitant amount, over \$22,000), but we have not received that in writing.

Air Methods is a multi-state conglomerate publicly traded on NASDAQ. Their annual report reveals that their patient transport revenue exceeded one billion dollars in 2014. Air Method's average bill is in the \$40,000 range. The bill for my husband's flight of 63 miles was more than his bill for an entire week as an inpatient at Johns Hopkins Hospital.

We don't believe that these charges reflect the cost of the service we received and the company has never been able to substantiate the charges. In fact, company representatives admitted to my husband that they have to bill some patients more to compensate for those who only have Medicare or who don't pay anything.

Air Methods doesn't participate with any insurers in our area except Medicare and Medicaid, and even though the amount our insurance plan paid actually exceeds the Medicare allowed benefit, the company will not accept our insurance as payment in full.

These companies charge exorbitant fees and balance bill because they can. They have no incentive to contract with insurance companies because they can generate more revenue by balance billing patients.

Some states have regulations that protect their citizens from balance billing in emergency situations. The Kaiser Family Foundation website identifies these regulations state by state (<http://kff.org/private-insurance/state-indicator/state-restriction-against-providers-balance-billing-managed-care-enrollees/>). For example:

In Delaware, out-of-network providers are prohibited from balance billing HMO enrollees for 1) certain "emergency care services;" and 2) medically necessary covered services "not available through network providers."

In New York, out-of-network providers of ambulance services are restricted from balance billing enrollees of HMO and PPOs, among other insured.

In Pennsylvania, out-of-network providers may not balance bill HMO or PPO patients for emergency services.

Maryland should join these states and enact legislation that would restrict balance billing by out-of-network providers for emergency medical services.

It is outrageous that these air ambulance companies profit from the pain and suffering of critically ill patients, most of whom, like my husband, did not request an air ambulance and did not choose the company.

Thank you for the opportunity to comment.

Lori Parks-Murphy
18516 Preston Road
Hagerstown, MD 21742



800 King Farm Blvd., Suite 600
Rockville, MD 20850

Colleen C. Cohan
Senior Associate General Counsel
Legal, Compliance & Regulatory Affairs

Phone: 240-632-8109
Cell: 240-688-0939
colleen_cohan@uhc.com

September 16, 2015

The Honorable Al Redmer
Commissioner of Insurance
Maryland Insurance Administration
200 St. Paul Place, Suite 2700
Baltimore, MD 21202

RE: Air Ambulance Services

Dear Commissioner Redmer:

UnitedHealthcare (UHC) has reviewed the volume of air ambulance claims received from our membership since 2013 and our records indicate that we have only received two member complaints arising from a Maryland group sponsored health plan related to an air ambulance transport.

UHC does not typically receive a large number of air ambulance requests. However, due to frequent patterns of egregious and fraudulent billing, UHC does have a process to ensure the requests are appropriate and the claims are properly submitted/billed. It has been our experience that a number of air ambulance carriers have attempted to bill for emergent issues that are not actually emergent (e.g., a broken leg), that bill 10 times the usual and customary air ambulance rate, or encourage patients to utilize their services and promise not to balance bill them.

UHC's process for reviewing air ambulance requests include verifying the licensure of an air ambulance carrier and that it is, in fact, capable of providing appropriate medical care. (For example, to ensure the carrier is not a freight carrier attempting to transport a medical patient.)

All requests for air ambulance transportation are reviewed by an UHC medical director to determine medical necessity. If the transportation is not medically necessary, the transportation is denied and the member is referred to their plan documents to determine other means of transportation, if necessary. If the transportation is medically necessary, as determined by UHC Clinical policies/Milliman Care guidelines, the transportation is approved and will transport the patient to the nearest facility that can offer the participant the level

of care and clinically appropriate treatment needed. This review is done based on the level of care that can be offered and not convenience, and is outlined in the patient's certificate of coverage. (For example, air lifting an individual vacationing in upstate NY to a NY center of excellence as opposed to their home town near Chicago.) There is a heightened degree of scrutiny for transport requests from one facility to another facility. Transports requested from the field (i.e., the scene of an accident) are typically easier to identify as appropriate requests due to the obvious circumstance surrounding an individual's injury and the decreased likelihood of an attempt by the transport to abuse the system.

This level of scrutiny is often necessary as fraudulent and egregious billing practices can have an impact on downstream health care costs as well as financial impact on the member specifically. We have three in-network air ambulance carriers that are used when possible to eliminate fraudulent and egregious air ambulance practices that may ultimately be financially devastating to a member.

Thank you for the opportunity to provide feedback on air ambulance services. Please feel free to contact me if you have additional questions.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Colleen C. Cohan', written in a cursive style.

Colleen C. Cohan

cc: Nick Cavey, MIA Assistant Director
Government and External Relations



Nick Cavey -MDInsurance- <nick.cavey@maryland.gov>

RSVP Head Count for Air Ambulance Meeting Reminder

TINA VINCENT <tvincent@wcooe.org>
To: Nick Cavey <nick.cavey@maryland.gov>

Thu, Sep 17, 2015 at 11:40 AM

Nick,

I would like to submit the attached letters from Dr. John Fredericksen, Superintendent of Wicomico County Public Schools, and Mr. Ron Willey, Board President, in advance of the meeting on air ambulance balance billing. These letters dated March 2015 were addressed to CareFirst, Peninsula Regional Medical Center, and University of Maryland Medical Center regarding the issue.

Thank you,

Tina M. Vincent, M.B.A. | Lead Human Resource Specialist

Wicomico County Board of Education

P.O. Box 1538 | Salisbury, MD 21802-1538

Voicemail: [410.677.4578](tel:410.677.4578)

Fax: [410.677.4416](tel:410.677.4416)

From: Nancy Egan -MDInsurance- [<mailto:nancy.egan@maryland.gov>]

Sent: Monday, September 14, 2015 12:06 PM

Cc: Nick Cavey; Maria Fisher

Subject: RSVP Head Count for Air Ambulance Meeting Reminder

If you have any information or data you would like to share prior to the meeting please contact Nick Cavey, Assistant Director of Government and External Relations by email at nick.cavey@maryland.gov or by mail to 200 St. Paul Place, Suite 2700, Baltimore, MD 21202 or by fax to [410-468-2020](tel:410-468-2020).

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Air Ambulance letters 150326.pdf

9/18/2015

Maryland.gov Mail - RSVP Head Count for Air Ambulance Meeting Reminder

446K