Air Medical Services and Insurance: What Can States Do?

NCSL Task Force on Insurance

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America’s Health Insurance Plans (AHIP) is the national association whose members provide insurance coverage for health care and related services to millions of Americans every day. Through these offerings, we improve and protect the health and financial security of consumers, families, businesses, communities and the nation. We are committed to market-based solutions and public-private partnerships that improve affordability, value, access and well-being for consumers.

Accident & Health Business Markets represented by AHIP in the United States:

- Major Medical
- Medicaid
- Medicare Advantage
- Medicare Supplemental Insurance (Medigap)
- Supplemental Health
- Long-Term Care
- Disability Income Insurance
- Dental
- Vision
Air Ambulance Overview

- Hospital-based, independent, government run
  - 2/3 inter-facility, 1/3 emergency
- “Payor Mix”
  - Medicaid, Medicare, commercial, self-pay
- Inelastic Pricing
  - Price has no bearing on demand
- Reimbursement
  - CMS national fee schedule
  - Rates vary; Commercial insurers typically reimburse at a higher rate
Federal Issues

• Federal Preemption
  o Federal Aviation Administration regulates all operations and safety aspects
  o Airline Deregulation Action of 1978 prohibits states from regulating air carrier rates, routes, or services either directly or indirectly

• DOT & FAA opinions clarifying scope and application of federal law on air ambulance and prevent states from regulating areas outside of medical and quality standards of care

• Even medical based regulations could be preempted if they indirectly engage in economic regulation
Policy Issues

- Balance Billing
- Provider Contracting
- Consolidation and Competition
- Transparency
What Can States Do?

- Price Transparency
- Consumer Protections
- Coordinated Emergency Response
- Federal Action
Thank you!

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