

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 770 (Senator Hafer)

Finance Health and Government Operations Health and Government Operations

Air Ambulance Services - Study

This bill requires the Maryland Health Care Commission (MHCC) to study: (1) the financial aspects of inter-hospital patient transfer and scene transport by air ambulance services operating in Maryland; (2) State and federal laws applicable to the operation of air ambulance services in the State; and (3) mechanisms available to the State to regulate financial aspects of air ambulance services and to ensure cost-effective use of air ambulance services for inter-hospital patient transfer and scene transport. The study must be conducted in conjunction with the Health Services Cost Review Commission (HSCRC) and the Maryland Institute for Emergency Medical Services Systems (MIEMSS), and with the assistance of the Office of the Attorney General. By December 1, 2006, MHCC, HSCRC, and MIEMSS must submit a report on the study and any findings and recommendations to the Governor and specified legislative committees.

The bill takes effect July 1, 2006.

Fiscal Summary

State Effect: The study and report could be handled with existing budgeted resources of the various agencies conducting the study. No effect on revenues.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Commercial air ambulances are licensed and regulated by the Emergency Medical Services (EMS) Board.

Background: Private helicopters perform most inter-hospital air ambulance transports while the Maryland State Police helicopters (Medevac) perform almost all scene transports. Private helicopter services are supported through health insurance reimbursements while State Police helicopter transports are supported by a surcharge on motor vehicle registrations. In fiscal 2003, commercial air services had about 2,900 inter-hospital transfers while the State Police had about 6,800 EMS flights in calendar 2002.

The average cost per flight for State Police Medevacs is about \$2,800. Two private companies that provide inter-hospital transfers are MedSTAR and STAT MedEvac. For transfer services MedSTAR reports an average charge of \$4,200 and an average reimbursement of \$2,646. STAT MedEvac reported an average charge of \$8,000 for emergency medical services and an average reimbursement of \$4,000.

STAT MedEvac is a not-for-profit organization and transports patients regardless of their ability to pay. In fiscal 2002, they absorbed \$2.5 million in uncompensated care.

Additional Information

Prior Introductions: None.

Cross File: HB 718 (Delegate Wood, *et al.*) – Health and Government Operations.

Information Source(s): *Annual Mandated Health Insurance Services Evaluation* (December 31, 2004), Maryland Health Care Commission; Department of Health and Mental Hygiene; Maryland Insurance Administration; Department of Legislative Services

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