

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

House Bill 718 (Delegate Wood, *et al.*)
Health and Government Operations

**Health Insurance - Nonemergency Helicopter Transportation - Balance Billing
Prohibited**

This bill prohibits a helicopter transportation provider to bill or seek reimbursement from an insured individual for any amount in excess of the amount paid by the health insurer, nonprofit health service plan, or HMO (carrier), regardless of whether the provider is under contract with the carrier.

Fiscal Summary

State Effect: Any additional complaints to the Maryland Insurance Administration regarding insurance coverage and reimbursement could be handled with existing resources. 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: A similar bill, HB 1001 of 2005, would have required the EMS Board to adopt regulations that prohibited a licensed commercial air ambulance service from collecting more than a carrier has agreed to pay for air ambulance services. The bill was not reported by the House Health and Government Operations Committee.

Cross File: SB 770 (Senator Hafer) – Finance.

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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ncs/jr

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