

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
First Reader

Senate Joint Resolution 1 (Senator Kelley)
Finance

Congressional Action - Surprise Billing - Air Ambulance

This joint resolution urges the U.S. Congress to pass legislation that prohibits balance billing of consumers by air ambulances that do not participate in a consumer's insurance carrier network.

Fiscal Summary

State Effect: Compliance with this joint resolution does not affect State finances.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Air ambulance companies are licensed to operate by the Maryland Institute for Emergency Medical Services Systems. Licenses are valid for one year. Air ambulance companies providing scene transport may bill the patient or the patient's insurance company but may not seek reimbursement from the State, a local jurisdiction, a municipality, or a volunteer fire company. A small number of patients transported by an air ambulance company could be faced with a sizeable bill if the service is not covered by their payor, the air ambulance company is not part of their insurance company's provider network, or they are uninsured and do not meet the requirements of the air ambulance company's charity care policy.

The federal Airline Deregulation Act preempts states' ability to "enact or enforce a law, regulation, or other provision having the force and effect of law related to price, route, or

service of an air carrier that may provide air transportation.” In 2006, at the direction of the General Assembly, the Maryland Health Care Commission conducted an Air Ambulance Study, which examined the cost and reimbursement for services provided by air ambulance companies.

The federal Patient Protection and Affordable Care Act requires nongrandfathered health plans to cover 10 essential health benefits, including emergency services. This benefit must include emergency ambulance transportation by ground, water, or air. Medically necessary ambulance services are covered under Maryland’s benchmark plan without any permissible exclusion for air ambulances. Coverage is currently required for nongrandfathered individual health benefit plans and both grandfathered and nongrandfathered small group health benefit plans.

The federal No Surprises Act, enacted as part of the Consolidated Appropriations Act, 2021, requires health plans to cover surprise bills for emergency services, as well as out-of-network provider bills rendered at in-network hospitals and facilities. Balance billing is prohibited, with specified exceptions, and out-of-network providers may not send patients bills for excess charges. The Act permits access to an independent dispute resolution process for any surprise medical bill following a 30-day period when the plan and provider try to negotiate a payment amount. The Act specifically includes air ambulances; air ambulance providers and insurers must submit two years of cost and claims data to federal officials for publication in a comprehensive report. The Act takes effect January 1, 2022.

Additional Information

Prior Introductions: SJ 5 of 2020 passed the Senate with amendments and was referred to the House Rules and Executive Nominations Committee, but no further action was taken.

Designated Cross File: None.

Information Source(s): Kaiser Family Foundation; Department of Legislative Services

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