

# MODEL ACT

## EXAMINING THE IMPACT OF AIR AMBULANCE BUSINESS PRACTICES ON A STATE AND ITS RESIDENTS

### Section I. Purpose

As prices associated with air ambulance transport continue to increase, as the number of air ambulance companies joining health plan networks continues to remain small, and as air ambulance companies continue to balance bill consumers for tens of thousands of dollars, it is essential that the state understands how air ambulance business practices impact the state (including its emergency medical system) and its citizens. Accordingly, this Act requires that the Attorney General of this state conduct a study regarding the business practices of air ambulance companies operating in the state and issue a report containing findings and recommendations.

### Section II. Study

- A. The Attorney General shall study the business practices of air ambulance companies operating in the state and their direct and indirect impact on the state and its residents.
- B. The study shall examine several issues related to air ambulance business practices and their impacts, including but not limited to:
  - a. the financial aspects of site-to-facility and facility-to-facility transport, including the types and actual costs of operations, charges for services provided, billing and collections practices, and reimbursement by payers;
  - b. air ambulance membership programs;
  - c. arrangements between hospital operators and air ambulance companies which could create conflicts of interest or unwarranted preferential treatment, including but not limited to (1) arrangements that afford air ambulance providers access to hospital patients (that allow them to “trawl” for patients); (2) Branding/marketing practices that lead consumers to believe they will receive services from a hospital when in fact the bill comes from a non-participating air ambulance provider previously unknown to them; and (3) prior notice to consumers regarding expected charges for the services.
  - d. market concentration and competition,
  - e. protocols used to determine how and when emergency transport is provided and through which mode (e.g ground or air transport);
  - f. mechanisms available to the state to regulate air ambulance business practices to protect consumers and ensure the efficient and effective use of air ambulance transport services.

- C. The study shall contain relevant information obtained by several means, including but not limited to:
- a. Public hearings conducted by the Attorney General or a designee throughout the state. The number and location of these hearings shall be set so that state residents are able to participate without undue travel or expense. Public notice of any hearing shall be provided at least 60 days in advance of the hearing;
  - b. Review of data about consumer complaints collected by the U.S. Department of Transportation
  - c. Review of complaints related to air ambulances submitted to *[the state agency(ies) responsible for receiving complaints related to air ambulances]*;
  - d. Review of studies conducted by other states and/or their political subdivisions and public and private entities; and
  - e. Input solicited by the Attorney General from stakeholders including, but not limited to, the following:
    - i. air ambulance carriers
    - ii. hospitals and health systems
    - iii. consumers
    - iv. health insurers
    - v. first responders
    - vi. State emergency medical services program
  - f. Review of lawsuits and investigations conducted by other Attorneys General.

### **Section III. Report**

- A. The Attorney General shall issue a report detailing the results of the study and providing policy recommendations stemming from the findings of the report.
- B. The Attorney General shall submit the report to the office of the Governor, *[insert reference to appropriate regulatory agencies]*, and *[insert reference to appropriate legislative committees]* within one year of the commencement of the study.
- C. The report shall be made public through, at minimum, posting on the websites of the Attorney General and the *[agency(ies) assigned to receive consumer complaints related to air ambulances]*.
- D. If the Attorney General determines that any practice examined as part of this process is appropriate for investigation as a potential violation of unfair trade practices or other laws, the Attorney General may withhold such information from any report and not examine such information in any hearing, if the Attorney General determines that such

actions would be inappropriate in light of, or would undermine the effectiveness of, any investigation or litigation it is pursuing with respect to the conduct.

**Section IV. Severability.** “If any provision of this Act, or the application of the provision to any person or circumstance shall be held invalid, the remainder of the Act, and the application of the provision to persons or circumstances other than those to which it is held invalid, shall not be affected.”

**Section V. Effective Date**

This Act shall become effective on [date].