



COMMONWEALTH OF PENNSYLVANIA  
INSURANCE DEPARTMENT  
HARRISBURG

THE COMMISSIONER

April 18, 2017

The Honorable Senator Pat Toomey  
248 Russell Senate Office Building  
Washington, DC 20510

Dear Senator Toomey:

I wanted to express my support for the bill, S. 471, introduced by Sen. Jon Tester of Montana, to change FAA regulations and allow states to regulate the price and services of air ambulances.

I have heard from consumers as well as state legislators about the problem of air ambulances not affiliated with a hospital, and not in an insurer's network. Air ambulances, by their very nature, are transporting a patient in an emergency situation. The consumer has no choice over what air ambulance service is used to get them or their loved one to a facility that can provide the care needed as quickly as possible. Consumers are often faced with a balance bill from the air ambulance service, with these bills often running into the tens of thousands of dollars. These bills can be financially devastating for consumers and their families, who are already often dealing with catastrophic events and significant health care needs.

For example, I heard from a patient involved in a car crash that rendered this person unconscious. The individual, while unconscious, was flown by air ambulance to a trauma center. His insurer is refusing to pay, claiming the situation was "not life threatening," and leaving this person, who obviously had no say in this transport, with a \$40,000 bill.

Parents wrote to me saying their son suddenly became ill, and was diagnosed with a large brain tumor. He was life-flighted to another hospital and underwent surgery. The parents were told had they arrived a few hours later their son would have died. The couple's insurer paid \$10,675 of a \$47,759 bill, stating the air ambulance service is out-of-network. In fact, the insurer has no in-network air ambulance services, and the parents have a \$37,083 balance bill.

In Pennsylvania, we are currently working in a bipartisan manner toward a solution to protect consumers from surprise balance bills from facilities and health care providers. However, even if this legislation is enacted, it will not address this issue: states cannot now regulate balance billing by air ambulance due to preemption by the federal Airline Deregulation Act (ADA) of

April 18, 2017

Page 2

1978, which prohibits states from regulation of airline rates. This prohibition extends to both fixed wing planes and helicopters.

In March 2016, a federal district judge struck down North Dakota's air ambulance regulations due to the preemption of the ADA. *Valley Med Flight, Inc. v. Dwelle, et al., No. 1:15-cv-070* (D.N.D. Mar. 21, 2016)

Thus, federal legislation, such as S. 471, is needed to give states the authority to address this issue and allow my department and our state legislature to protect our, and your, constituents in Pennsylvania. This bill does not impact airlines or other air services, nor does it set federal rates for air ambulances or add new federal regulations.

We must find a way to protect consumers from experiencing these crippling bills at such vulnerable times in their lives. And, as we work to contain the cost of health care, air ambulances must not be overlooked. These vital services save lives but must be affordable to the consumers who need them.

S. 471 would allow states to decide how best to regulate the price and services of air ambulances, and protect consumers from financial devastation. I hope you will consider supporting this important piece of legislation.

Please do not hesitate to reach out to me or my department if we can be helpful in regard to this issue or any other insurance issues under your consideration.

Sincerely,



Teresa D. Miller  
Commissioner