

EMAIL:

From: Airlift Northwest

To: Bill Bryant, Montana Air Ambulance Coalition (MAAC)

Summary:

Documents that Airlift NW has contracted with the major insurers in Washington and Alaska, and their in-network rates are in excess of 90% of their billed charges, which is more than 750% of the Medicare rates.

From: Jacinda McFeely <Jacinda.McFeely@airliftnw.org>

Subject: RE: Montana Air Medical Transportation

Date: April 13, 2016 at 1:35:34 PM MDT

To: William Bryant <billb@me.com>

Good Afternoon, Mr. Bryant:

During the State of Montana Economic Affairs Interim Committee Meeting on February 4th – 5th 2016, there were discussions regarding a flight that Airlift Northwest performed from Butte, MT to Seattle, WA for a critically ill child. The discussion centered on the charge for the flight of \$85,000, unfortunately I am not able to verify the \$85,000 figure. I have reviewed the flight in question and the actual amount of charges associated with this flight is as follows: fixed wing lift off charge was \$13,000, the fixed wing mileage charge was \$90.00 per loaded mile, the actual mileage from Butte, MT to Seattle, WA with patient on board the aircraft was 480 miles, therefore the total charges for this flight were \$56,200.

Airlift Northwest has been providing fixed wing and helicopter air medical transports within the Pacific Northwest for 34 years. On every flight our crew consists of two critical care nurses that are associated with Harborview Medical Center and Seattle Children's Hospital. We are accredited by CAMTS, and provide the highest level of care possible. Airlift Northwest charges are the same for any flight that we perform within our service area, which includes Alaska, Idaho, Montana and Washington.

Airlift Northwest has encounter difficulty with receiving reasonable reimbursement from the State of Montana insurance companies. We have tried to negotiate with the insurance companies in the State of Montana, but we have not been successful in receiving reasonable reimbursement. This may have something to do with the fact that there are only one or two insurance carriers in Montana.

Outside of Montana, Airlift Northwest has successfully negotiated preferred provider agreements with a number of insurance providers, including Regence Blue Shield, Premera Blue Cross and First Choice Health Network who insure members in the States of Washington and Alaska. Our

preferred provider agreements provide reimbursement to Airlift Northwest at 93% to 97% of total charges billed, for both fixed Wing and helicopter transports. In the last couple of years our costs have increased therefore our charges have increased. If we were to perform the flight from Butte, MT today our total charges would be \$67,800. The insurance companies that we have preferred provider agreements would have paid Airlift Northwest directly between \$63,054 to \$65,766. If the primary payor on this flight was Medicare, Airlift Northwest would have received payment from Medicare in the amount of \$5,500. In addition, when we perform an air medical transport from Juneau, AK to Seattle, WA our total charges would be \$100,258. Airlift Northwest would have received payment directly from our preferred provider insurance companies of between \$93,239.94 to \$97,250.26. If the primary payor on this flight was Medicare, Airlift Northwest would have received payment from Medicare in the amount of \$12,000. Therefore, Airlift Northwest's current preferred provider agreements reimburse at a rate of 777% of Medicare.

Similarly, for a typical helicopter flight of 50 miles (patient on board), our total charges would be \$24,300. Our Washington and Alaska insurance carriers would reimburse us an average of \$23,000. By contrast, Medicare would only pay us \$4,500.

Airlift Northwest continues to negotiate with the State of Montana insurance companies on a per flight basis. Please let me know if you have any questions or if I can be of further assistance.

Have a great day,

Cindy McFeely
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