

# Air Ambulance Basics: Terms

- **Air Ambulance:** helicopters or fixed-wing aircraft that are specifically outfitted to transport ill or injured persons.
- **Fixed Wing:** Air Plane. Fixed-wing aircraft are generally used for long-distance, interhospital transports and generally only fly between airports.
- **Rotary:** Helicopter. Helicopters are typically used to transport patients from the accident scene to the hospital or for short-distance, interhospital transport.
- **Loaded mileage rate:** Air ambulance service rate when carrying a patient.
- **Take-off rate:** Air ambulance service rate for take-off from base.
- **Billed Charge:** The amount charged by a provider for a service before any discounts are applied by the payor.
- **Allowed Amount:** The payor-defined maximum payment to be paid by the payor and patient.
- **Balance Bill:** The difference between the billed amount and allowed amount paid by the payor that may become the patient's responsibility.
- **Air Ambulance Fee Schedule:** The payment system introduced by Centers for Medicare and Medicaid Services (CMS) in 2002 to reimburse providers for ground and air transport.
- **Payor Contracting Rate:** The rate paid by the payor when the air ambulance has contracted with an insurance carrier (i.e., the "allowed" amount)
- **Payor Non-contracting Rate:** The rate paid by the payor when the air ambulance company does not have a contract with an insurance company and can balance bill a patient (which includes the balanced bill).

# Air Ambulance Business Models

- Air ambulance providers operate under three basic business models:
  1. **Hospital-based or “traditional model”:** a hospital controls the business, providing medical services and staff by owned or contracted aviation component.
  2. **Independent:** operations are not controlled by a specific medical facility and the independent provider may directly employ medical and flight crews.
    - Membership-based health care: Some independent air ambulance providers have established membership programs, generating income through annual fees.
  3. **Government operator:** state or local government or military unit owns and operates the service.

# Review of Montana Legislation

- **SB 278** (2011, passed)
  - Provided for ambulance membership programs in Montana.
  - Exempted certain private air ambulance services from insurance law
    - Licensed in accordance with 50-6-306
    - Must operate in Montana for at least two years
    - Must submit evidence of compliance with this section to DPHHS
  - Private air ambulance service membership programs must have arrangements with other air ambulance providers to extent reasonably possible to ensure geographic coverage within state for program subscribers.
- **HB 177** (2015, did not pass)
  - Would have amended existing law to allow air ambulance that provides services to paid members to avoid designation as insurer, health insurer, health service corporation or HMO, if air ambulance service has been licensed in good standing in state other than Montana for at least two years.
- **HJ 29** (2015, passed)
  - Introduced in 2015 to study membership-based health services to determine insurance cost impacts.

## States can regulate

- Requirements for appropriate medical supplies—patient oxygen masks, litters, blankets, etc.
- Adequacy of medical equipment
- Medical personnel qualifications
- Requirements for maintenance of sanitary conditions
- Communication equipment for use with EMS officials
- Medically dictated pickup and dispatch protocols
- Inspections for compliance with medically related regulations
- Aircraft configuration serving medical purposes, to the extent consistent with FAA safety and operations requirements

## States cannot regulate

- Certificates of need, public necessity, and convenience
- Rates
- Passenger/third party flight accident liability insurance requirements
- 24/7 availability requirements
- Advertising
- Bonding requirements
- Requiring participation by air ambulance providers in an EMS peer review committee that provides local government officials with a mechanism to prevent an air ambulance provider from operating within state
- Pilot training
- Aircraft configuration unrelated to medical purposes
- Limitations on geographic service areas
- Weather-minimum performance standards
- Safe storage of equipment
- Avionics equipment
- Very high frequency aircraft transceivers

# Air Ambulance Services Licensed and Operating In Montana

Fixed-wing Transport EMS Services		
	Service Name	City
1	Alert II – Fixed	Kalispell, MT
2	Billings Clinic Medflight – Fixed	Billings, MT
3	HELP Flight St Vincent Healthcare – Fixed	Billings, MT
4	Life Flight Network Fixed Wing Butte	Butte, MT
5	Mercy Flight – Benefis Healthcare – Fixed	Great Falls, MT
6	NW Med Star Fixed	Missoula, MT
7	Sanford Air Med	Dickinson, ND
8	Stat Air Ambulance Service – Fixed	Glasgow, MT
9	Summit Air Ambulance – Fixed Wing Helena	Helena, MT
10	Valley Med Flight – Fixed	Grand Forks, ND
11	Montana Medical Transport – Fixed	Helena, MT
Rotary-wing Transport EMS Services		
1	Air Idaho Rescue	Idaho Falls, ID
2	Alert I – Rotor	Kalispell, MT
3	Eagle Med LLC	Cody, WY
4	Eagle Med LLC – Butte	Butte, MT
5	HELP Flight St Vincent Healthcare - Rotor	Billings, MT
6	Life Flight Network	Sandpoint, ID
7	Life Flight Network – Butte	Butte, MT
8	MED-TRANS CORP dba Spirit Lifeline	Dickinson, ND
9	Mercy Flight Benefis Healthcare – Rotor	Great Falls, MT
10	NW Med Star Rotor	Missoula, MT
11	Summit Air Ambulance – Rotor Bozeman	Bozeman, MT
12	Summit Air Ambulance – Rotor Helena	Helena, MT

Source: Montana Dept. of Health and Human Services, 2/6/2015.