

May 1, 2018

The Honorable John Thune
Chairman
Committee on Commerce, Science
and Transportation
United States Senate
Washington, DC 20510

The Honorable Bill Nelson
Ranking Member
Committee on Commerce, Science
and Transportation
United States Senate
Washington, DC 20510

Dear Chairman Thune and Ranking Member Nelson:

On behalf of the membership of the National Association of Insurance Commissioners¹ (NAIC), we write today to express our support for inclusion of language in the Federal Aviation Administration Reauthorization bill that would help protect consumers from excessive air ambulance expenses.

Specifically, state regulators support language offered by Representative Woodall and adopted by the House of Representatives as Section 412 of H.R. 4 – The FAA Reauthorization Act of 2018. This provision would establish an advisory committee to make recommendations for a rulemaking to require air ambulance operators to clearly disclose charges for air transportation services separately from charges for non-air transportation medical services provided while onboard an aircraft, and to provide other consumer protections for customers of air ambulance operators.

State insurance regulators across the country have experienced a high volume of complaints from consumers who received life flights and were then saddled with a surprise bill for tens of thousands of dollars. After extensive investigations by state departments of insurance, state regulators determined that many air ambulance operators servicing their consumers are not affiliated with hospitals and are not contracting with insurance carriers. Most states have laws that govern network participation, reimbursement, price transparency and balance billing, but state regulators and legislatures are prohibited from applying these laws to air ambulance operators by the preemption clause of the federal Aviation Deregulation Act of 1978 (ADA), which protects an air carrier's price, route or service from being subject to state regulation.

We believe the Woodall language would be a positive first step toward addressing the critical issue of air ambulance balance billing. In addition, the NAIC still strongly supports the legislation introduced by Sen. Jon Tester -- The Isla Rose Life Flight Act, S. 471. This bill would clarify the ADA to allow states to enact or enforce a law or regulation relating to network participation, reimbursement, price transparency and balance billing for air carriers that provide air ambulance services. S. 471 would return to the states the authority to protect consumers and ensure appropriate reimbursements are paid to air ambulance carriers so that a balance is reached between access to care and affordable premiums.

We look forward to working with the Committee Members and others who are committed to protecting consumers from unfair billing practices.

Thank you for your consideration in this important matter.

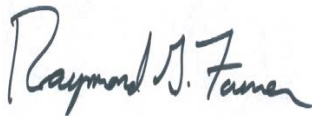
Sincerely,



Julie Mix McPeak
NAIC President
Commissioner
Tennessee Department of
Commerce & Insurance



Eric A. Cioppa
NAIC President-Elect
Superintendent
Maine Bureau of Insurance



Raymond G. Farmer
NAIC Vice President
Director
South Carolina Department of Insurance



Gordon I. Ito
NAIC Secretary-Treasurer
Commissioner
Insurance Division
Hawaii Department of Commerce
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¹ Founded in 1871, the NAIC is the U.S. standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia and the five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight. NAIC members, together with the central resources of the NAIC, form the national system of state-based insurance regulation in the U.S.