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Aviation Group Client Update

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AIR AMBULANCE: DATA COLLECTION AND TRANSPARENCY NEEDED TO ENHANCE DOT OVERSIGHT

On July 27, 2017, the Government Accountability Office (GAO) released its findings for a [study](#) conducted on air ambulance pricing.

Background. The GAO conducted this study to assess the potential financial impacts of air ambulances on patients who use such services.

Summary. This report examines 1) the prices charged for air ambulance service, (2) the factors that affect prices, and (3) stakeholders' views on any actions the federal government could take to address air ambulance pricing.

Findings. GAO analyzed Medicare data from the Centers for Medicare & Medicaid Services (CMS) and private health insurance data and found that between 2010 and 2014, the price for helicopter air ambulance service approximately doubled, from around \$15,000 to about \$30,000 per transport. GAO also found that air ambulance providers receive payments from many sources depending on the patient's coverage, often at rates lower than the price charged and might bill a privately-insured patient for the difference between the price charged and the insurance payment (balance billing) when the provider lacks an in-network contract with the insurer.

Selected stakeholders proposed actions to address air ambulance pricing issues, including (1) raising Medicare rates, (2) allowing state-level regulation of air ambulance prices, and (3) improving data collection for the purposes of investigations and transparency regarding prices.

Recommendations. Based on its findings, GAO recommends that the Secretary of Transportation: (1) communicate a method to receive air ambulance complaints, including on balance billing; (2) take steps to make complaint information publicly available; (3) assess available data and determine what information could assist in the evaluation of future complaints; and (4) consider air ambulance consumer disclosure requirements. DOT concurred with all but the third recommendation, stating additional information is not needed for such purposes.

If you have any questions or would like further information, please contact Shelley Ewalt.

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