

# HOUSE BILL REPORT

## EHB 2755

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**As Passed House:**  
February 17, 2020

**Title:** An act relating to transparency regarding the cost of air ambulance services.

**Brief Description:** Concerning transparency regarding the cost of air ambulance services.

**Sponsors:** Representatives Schmick, Caldier and Cody.

**Brief History:**

**Committee Activity:**

Health Care & Wellness: 1/28/20, 1/31/20 [DP].

**Floor Activity:**

Passed House: 2/17/20, 98-0.

**Brief Summary of Engrossed Bill**

- Requires the lead organization for the All-Payer Claims Database to publish data on air ambulance service claims.

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### HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

**Majority Report:** Do pass. Signed by 13 members: Representatives Cody, Chair; Macri, Vice Chair; Schmick, Ranking Minority Member; Chambers, Chopp, Davis, DeBolt, Maycumber, Riccelli, Robinson, Stonier, Thai and Tharinger.

**Minority Report:** Without recommendation. Signed by 1 member: Representative Harris.

**Staff:** Kim Weidenaar (786-7120).

**Background:**

All-Payer Claims Database.

The 2014 Legislature directed the Office of Financial Management (OFM) to establish a statewide all-payer health care claims database (APCD). The OFM must use a competitive procurement process to select a lead organization to coordinate and manage the APCD. The goals of the APCD are to improve transparency to:

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- assist patients, providers, and hospitals to make informed choices about care;
- enable providers, hospitals, and communities to benchmark their performance;
- enable purchasers to identify value, build expectations into their purchasing strategies, and reward improvements over time; and
- promote competition based on quality and cost.

Data from the APCD is available to consumers and other interested parties through *Washington HealthCareCompare*. The website allows searches to find doctor groups and hospitals, and to compare prices for common medical procedures and treatment at nearby hospitals, ambulatory surgery and other outpatient health centers.

In 2019 the authority and oversight of the APCD was transitioned from the OFM to the Health Care Authority.

#### Air Ambulance Regulation.

The Department of Health (DOH) is responsible for licensing emergency medical services agencies and services, including air ambulance services. Currently, there are three licensed air ambulance services in Washington. Federal government air ambulance resources are exempt from state licensure. Federal services located in Washington may provide limited services outside of the provisions of declared emergencies.

The Airline Deregulation Act of 1978 prohibits states from regulating the price, route, or service of an air carrier, including air carriers that provide air ambulance services. The Federal Aviation Administration Reauthorization Act of 2018 established an advisory committee to review options to improve the disclosure of charges and fees for air medical services, better inform consumers of insurance options for such services, and protect consumers from balance billing.

#### **Summary of Engrossed Bill:**

The lead organization for the APCD must make information about air ambulance service claims data available on a publicly available website in a searchable format by geographic region, provider, and other relevant information.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

#### **Staff Summary of Public Testimony:**

(In support) Air ambulance services need more transparency around cost. This is especially true for those without insurance, as the charges they face are very high. Air ambulances play a very critical role, however, they are costly and health plans have had challenges contracting with the air ambulance services. Because of this, members often face very large out-of-network bills. While looking at this transparency piece, it is also important to look at the

whole picture and air ambulance reimbursements from other payers which may not cover costs.

(Opposed) Rural communities have many challenges recruiting and keeping health care providers, which can leave these communities without necessary care. This makes air transport even more critical. Some air ambulance companies are not-for-profit and hospital owned, and all of the money made goes back into the company to provide services.

There is a concern that if rates were published, people would not understand that this is unlikely to be the rate they would pay through their insurance, and that would negatively impact patients. There are a lot of variables that go into air ambulance pricing. For many communities an air ambulance is the only option, and for every minute that goes by the more damage there may be for a person facing an emergency. It often costs more to transport someone than the air ambulance companies are reimbursed. These operations are very costly to run. They may only respond once a day, but the staff and helicopter must be there and ready. These are necessary, but costly services. The other alternative to reduce costs would be to reduce resources so that there would be fewer resources in fewer communities. Additionally, the state is preempted from regulating air ambulances due to federal law.

**Persons Testifying:** (In support) Representative Schmick, prime sponsor; and Chris Bandoli, Association of Washington Healthcare Plans.

(Opposed) Jacob Dalstra and Roman Daniels-Brown, Life Flight Northwest.

**Persons Signed In To Testify But Not Testifying:** None.