

1 A MEMORIAL

2 REQUESTING THE OFFICE OF SUPERINTENDENT OF INSURANCE, THE
3 DEPARTMENT OF HEALTH, THE RISK MANAGEMENT DIVISION OF THE
4 GENERAL SERVICES DEPARTMENT AND THE WORKERS' COMPENSATION
5 ADMINISTRATION TO STUDY THE IMPACTS AND COSTS OF AIR
6 AMBULANCE TRANSPORTS AND RELATED INSURANCE POLICIES AND
7 PAYMENTS ON CONSUMERS, BENEFICIARIES AND PAYORS IN NEW
8 MEXICO.

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10 WHEREAS, the federal Airline Deregulation Act of 1978
11 was enacted to encourage, develop and maintain an air
12 ambulance system reliant upon fair and effective market
13 forces as well as on actual and potential competition to
14 provide needed air transportation services for urban areas,
15 small communities and isolated areas; and

16 WHEREAS, the federal Airline Deregulation Act of 1978
17 was also enacted to further efficiency, innovation, low
18 prices and a variety and quality of air transportation
19 services, while avoiding unreasonable industry concentration,
20 excessive market domination, monopoly powers and other
21 conditions that would tend to allow at least one air carrier
22 to unreasonably increase prices, reduce services or exclude
23 competition; and

24 WHEREAS, generally, the federal government has authority
25 and oversight concerning the economic and safety aspects of

1 the industry such as matters related to prices, routes and
2 services; and

3 WHEREAS, under the federal Airline Deregulation Act of
4 1978, states are given the authority to regulate the medical
5 aspects of air ambulances; and

6 WHEREAS, since 1978, the federal aviation administration
7 has issued minimal regulations related to the market
8 competition, market concentration or rates of the air
9 ambulance industry; and

10 WHEREAS, since 2002, New Mexico has experienced
11 considerable mergers and acquisitions in the air ambulance
12 industry; and

13 WHEREAS, since 2007, considerable annual increases in
14 billed charges for facility-to-facility and site-to-facility
15 air ambulance transports have occurred; and

16 WHEREAS, industry expansion, consolidation, cost
17 increases and trade practices may present adverse financial
18 and legal risks to insurance consumers, beneficiaries and
19 payors in New Mexico;

20 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF
21 REPRESENTATIVES OF THE STATE OF NEW MEXICO that the office of
22 superintendent of insurance be requested to convene an air
23 ambulance study group made up of representatives of the
24 department of health, the risk management division of the
25 general services department, air ambulance industry

1 representatives, health insurance industry representatives
2 and the workers' compensation administration to study the
3 following issues related to air ambulance transport in New
4 Mexico:

5 A. the financial aspects of site-to-facility and
6 facility-to-facility transports by air ambulance transport
7 providers operating in New Mexico, including the types and
8 costs of operations, charges for services provided, billing
9 practices and reimbursement by payors;

10 B. New Mexico and federal laws applicable to the
11 operation of air ambulance transportation services in New
12 Mexico; and

13 C. mechanisms available to New Mexico to regulate
14 financial aspects of air ambulance transport services to
15 ensure cost-effective use of air ambulance transport services
16 for site-to-facility and facility-to-facility transports and
17 to assure consumer protection; and

18 BE IT FURTHER RESOLVED that the air ambulance study
19 group be requested to produce a report with findings,
20 conclusions and recommendations on the impacts and costs of
21 air ambulance transports on consumers, beneficiaries and
22 payors in New Mexico; and

23 BE IT FURTHER RESOLVED that the report be presented to
24 the legislative finance committee by October 1, 2016; and

25 BE IT FURTHER RESOLVED that copies of this memorial be

1 transmitted to the chair of the legislative finance
2 committee, the superintendent of insurance, the secretary of
3 health, the director of the risk management division of the
4 general services department and the director of the workers'
5 compensation administration.

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