

Department of Commerce, Community, and Economic Development

DIVISION OF INSURANCE

P.O. Box 110805 Juneau, Alaska 99811-0805 Main: 907.465.2515 TDD: 907.465.5437 Fax: 907.465.3422

July 16, 2013

Shelly Deering, RN, BSN, CCRN Alaska Manager Airlift Northwest 8429 Livingston Way Juneau, AK 99801

Dear Ms. Deering:

Re: AirCare Program - Alaska

As you may be aware based on the letter I sent to Airlift NW last December to which you responded by e-mail on December 20, 2012, questions continue to arise regarding the scope and breath of the exemption in AS 21.87.010 under which Airlift NW was given permission by the prior director to "offer the subscription membership program as described, with two caveats. First, Airlift Northwest must remain certified under Alaska Statute 19.08.082. Second, we do not approve of "lifetime memberships"."

We need additional information regarding the Airlift NW AirCare Program in order to fully assess the applicability of the exemption in AS 21.87.010 to the Airlift NW AirCare Program as follows:

- 1. Identify any changes to the membership program or terms since the August 26, 2008 letter from the prior director.
- 2. The exemption in AS 21.87.010 applies to "ambulance or emergency medical services provided by a municipality, nonprofit medical service corporation, or nonprofit association if the person providing the services is certified under AS 18.08.082." "Service corporation" is defined in AS 21.87.330 as "a corporation providing all or part of one or more health care services for subscribers in exchange for periodic prepayment in identifiable amount by or as to the subscribers." Please provide a legal analysis and supporting documentation that supports a conclusion that Airlift Northwest is a service corporation as defined by AS 21.87.330 including a detailed explanation of what services are being provided in exchange for "periodic prepayment" under the Airlift NW AirCare Program.

Please provide the requested information no later than August 16, 2013. If you have questions I may be contacted by e-mail at <u>Katie.campbell@alaska.gov</u> or by phone at 907-465-4607.

Ms. Deering July 16, 2013 Page 2

Sincerely,

Kathenne S Campbell

Katie Campbell, FSA, MAAA Life/Health Actuary Alaska Division of Insurance



BOB FERGUSON

ATTORNEY GENERAL OF WASHINGTON

University of Washington Division • Box 359475 • Seattle, Washington 98195-9475

August 7, 2013

Ms. Katie Campbell, FSA, MAAA Life /Health Actuary Alaska Division of Insurance P.O. Box 10805 Juneau, Alaska 99811-0805

Re: AirCare Program - Alaska

Dear Ms. Campbell:

I represent the University of Washington, which operates Airlift Northwest air medical transport service. I write in response to your July 16, 2013 letter in which you requested additional information in order to assess the applicability of Airlift Northwest's exemption under AS 21.87.010. Please refer to the enclosed Airlift Northwest AirCare Membership brochure, which explains the benefits, terms and conditions of the AirCare Membership Program.

As a preliminary matter, Airlift Northwest has respected the prior director's caveat against "lifetime memberships." Airlift Northwest has not, and absent a change in the law, will not, offer lifetime memberships in the State of Alaska.

With respect to your specific requests, please be advised that:

- 1. The only change to Airlift Northwest's AirCare Membership Program over the years has been to add a new Vacation Membership package. This change became effective on July 1, 2013. The Vacation Memberships are available for those who are vacationing in Southeast Alaska and are valid for three consecutive months. More details on this program are set forth in the brochure.
- 2. Airlift Northwest was started in 1982 by Dr. Michael Copass and a consortium of hospitals in the Seattle area, including UW Medical Center, Seattle Children's and Harborview Medical Center, to bring high-quality air medical transportation to the

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Letter re: AirCare Program - Alaska August 7, 2013 Page 2 RECEIVED

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Pacific Northwest Region. In 2003, UW Medical Center, Harborview and Capital Security and Capital Security and Capital Security and Capital Security and Consortium of member hospitals to a non-profit corporation. Airlift Northwest enjoyed Federal Tax Exempt status as a charitable organization under IRS code 501(c)(3). In 2010 the corporate form of Airlift Northwest was unwound, the assets were apportioned among the former corporate members, and the University of Washington assumed operation of the air medical transport service known as Airlift Northwest. The University has been operating Airlift Northwest since that time as a component of its health system, UW Medicine.

The University of Washington is a public, non-profit institution of higher education, established pursuant to legislative decree as set forth in 28B.20 of the Revised Code of Washington. The legislature designated the field of medicine as one of the University's major lines of study (RCW 28B.20.060, 28B.20.300). In 1945, the legislature authorized the University's Board of Regents to operate, and directed it to establish, schools of medicine, dentistry and related health sciences (RCW 28B.20.305). In 1947, the legislature authorized the Regents to operate a hospital in conjunction with the University's medical and dental schools (RCW 28B.20.440). Today, Airlift Northwest is one of eight component entities of the University of Washington's health system.

The University of Washington is a governmental tax-exempt entity. It is exempt from federal income taxes under Internal Revenue Code (IRC) §115(1). Contributions to the University are deductible by donors under IRC §170. The University qualifies as both a state university described in IRC §511(a)(2)(b) and a government entity under IRC §170(c)(1). It is subject to the laws and regulations governing agencies of the State of Washington and has its own regulatory authority, which is codified under Title 478 of the Washington Administrative Code.

As one of the University's healthcare components, Airlift Northwest is a governmental operation, rather than a "corporation." I was able to locate the Alaska Statute provisions you cited in your letter and see that AS 21.87.010 also lists as exempt from the requirements of AS chapter 21.87 services provided by a municipality or non-profit association. Because it is an operation of a government agency, I respectfully submit that Airlift Northwest would qualify under the categories of municipality and nonprofit association, and I note that in 2008, the State of Alaska authorized Airlift Northwest to provide the subscription membership services it continues to provide today. I am enclosing for your review a copy of Ms. Linda Hall's August 26, 2008 letter to that effect, as well as copies of Airlift Northwest's current Alaska business license and

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Letter re: AirCare Program - Alaska August 7, 2013 Page 3

certification as a Critical Care Air Ambulance meeting the requirements established pursuant to AS 18.08.080. Please refer to the enclosed brochure for a detailed explanation of what services are being provided in exchange for payment under the Airlift Northwest AirCare Program.

I hope this information is useful. Please feel free to contact me with any questions or if I can be of further assistance.

Sincerely,

DINA L. YUNKER

Assistant Attorney General

Encl.

cc:

C. Martin, Executive Director, Airlift Northwest

C. McFeely, Director of Finance, Airlift Northwest

S. Deering, Alaska Regional Manager, Airlift Nort

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AIRLIFT NORTHWEST

A MEMBERSHIP PROGRAM FOR WASHINGTON AND SOUTHEAST ALASKA

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DIVISION OF INSURANCE Alaska Department of Commerce, Community, and Economic Development
Division of Corporations, Business and Professional Licensing
P.O. Box 110806, Juneau, Alaska 99811-0806

This is to certify that

AIRLIFT NORTHWEST

6505 PERIMETER ROAD S STE 200 SEATTLE WA 98108

owned by

UNIVERSITY OF WASHINGTON

is licensed by the department to conduct business for the period

October 19, 2011 through December 31, 2013 for the following line of business:

62 - Health Care and Social Assistance

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This ficense shall not be taken as permission to do business in the state without having complied with the other requirements of the laws of the State or of the United States.

This license must be posted in a conspicuous place at the business location. It is not transferable or assignable.

Susan K. Bell Commissioner

Division of Public Health Section of Injury Emergency Programs, EMS Unit

SEAN PARNELL, GOVERNOR P.O. BOX 110616 JUNEAU, AK 99811-0616 PHONE: (907) 465-3027 FAX: (907) 465-4101

December 21, 2011

Shelly Deering RN, Alaska Regional Manager Airlift Northwest 8429 Livingston Way Juneau, AK 99801

Dear Ms. Deering.

Congratulations to Airlift Northwest on becoming recertified as an emergency medical service under 7 AAC 26.010 - 7 AAC 26.999. A copy of your new certificate is enclosed, containing the following information:

Name of Agency:

Airlift Northwest

Level of Certification:

Critical Care Air Ambulance Service

Certificate Issue Date:

December 21,2011

Certificate Expiration Date: December 31, 2013

Certification Number:

7010

Let me know immediately if you have changes in staffing, equipment or training that will affect your ability to comply with applicable statutes and regulations and if you have a change in your physician medical director.

Please let me know if I can be of additional assistance.

Sincerely,

Jim Gaines

EMS Training Coordinator

cc: Bobbi Leichty, SEREMS

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DEPUTY DIRECTOR, PUBLIC HEALTH

MAS UNIT MANAGER

AIRLIFT NORTHWEST

DEPARTMENT OF HEALTH & SOCIAL SERVICES

STATE OF ALASKA

SECTION OF EMERGENCY PROGRAMS

THIS CERTIFIES THAT

DIVISION OF PUBLIC HEALTH

AUTHORIZED TO FUNCTION IN ACCORDANCE WITH THE SCOPE OF PRACTICE PERMISSIBLE FOR THAT LEVEL OF CERTIFICATION. CHAPTER 26 OF THE ALASKA ADMINISTRATIVE CODE AND IS HEREBY CERTIFIED AT THE LEVEL STATED BELOW AND IS MEETS THE REQUIREMENTS ESTABLISHED PURSUANT TO ALASKA STATUTE 18.08.080 AND DELINEATED IN TITLE 7.

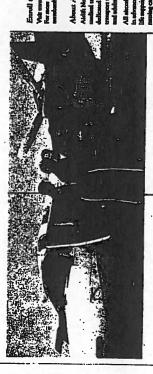
Critical Care Air Ambulance

DATE OF ISSUE December 21, 2011

December 31, 2013 DATE OF EXPIRATION

CERTIFICATION NUMBER

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AIRLIFT NORTHWEST is pleased to offer AirCare membership, a program that provides Weshington and Southess: Alaska residents with high-quality air medical transport service at an affordable cost.

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Mission of Caring

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