

# ALASKA STATE LEGISLATURE

## SESSION

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## SENATOR BERT K. STEDMAN

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### Sponsor Statement

#### **SB 159 – An Act Relating to Air Ambulance Services**

Since January 2009, Airlift Northwest, the Seattle based provider of lifesaving air medical transport services, has offered the popular AirCare membership program to residents of Southeast Alaska. Over 1,600 Southeast households are enrolled in the program. Air medical transportation is expensive and insurance may not cover all the costs. The purpose of the AirCare program is to cover all out-of-pocket expenses such as deductibles and coinsurance amounts that may not be covered by the primary payer. As an AirCare member, only your insurance company receives a bill. Airlift Northwest is secondary to all payers and works directly with your insurance company for claims processing. The AirCare program directly helps fund Airlift Northwest so they can transport critically ill or injured patients to hospitals with levels of care not locally available.

Since its inception, the AirCare program was offered to Alaskans under a regulatory exemption it received from the Alaska Division of Insurance. However, after an organizational restructuring, the Division of Insurance deemed the program no longer exempt from insurance regulation as stated in AS 21.87.010 under which Airlift Northwest was providing the program. As a result, the Division of Insurance ordered Airlift Northwest to cease enrolling new members. Airlift Northwest is allowed to honor their existing memberships but is not allowed to renew expired memberships.

If Airlift Northwest wants to continue offering the AirCare program, then the program must either be fully insured by a health insurer authorized by Alaska or Airlift Northwest must obtain a certificate of authority pursuant to AS 21.09 to transact health insurance in Alaska. Since Airlift Northwest operates under the umbrella of University of Washington's medical system, becoming a licensed insurer in Alaska is not an option for them.

Senate Bill 159 will exempt air ambulance services from the state's insurance code, thereby allowing Airlift Northwest to continue offering the AirCare program to Alaskans.

#### District Q

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