

Bills seek to address air ambulance service

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JUNEAU, Alaska— Southeast Alaska lawmakers have introduced legislation that would allow air ambulance providers to offer medevac services in membership programs.

Rep. Cathy Munoz, in her sponsor statement, said such programs can save Alaskans out-of-pocket costs. She says more than 3,200 Alaskans in southeast Alaska took advantage of that type of program, before the state Division of Insurance last year found the business model no longer met legal exemptions. The bills, introduced in the state House and Senate, would set out terms under which the programs could continue.

Joining Munoz on the House bill are Reps. Peggy Wilson and Jonathan Kreiss-Tomkins.

The Senate bill is by Sens. Bert Stedman and Dennis Egan.

Legislation would reinstate medevac membership programs

By Rosemarie Alexander, KTOO

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Airlift Northwest could bring back its popular membership program under legislation introduced in the Alaska House and Senate.

The state's Division of Insurance last November told the company to discontinue its AirCare membership, because it no longer met the letter of Alaska law.

That prompted complaints to Southeast Alaska legislators, and Rep. Cathy Munoz started working on legislation to allow air ambulance membership programs in the state. Several Southeast legislators have signed on to the bill.

Airlift Northwest started the Alaska AirCare program in 2008. Nearly all of the more than 32-hundred members are in Southeast, a third of them in Juneau.

An emergency medical flight from Southeast Alaska to Seattle or Anchorage can cost \$100,000 or more.

Karla Hart purchased her membership about four years ago, when she learned about the program through her doctor's office. She says she did some research and figured it was a no brainer:

"A hundred bucks to not have to worry if I'll have a financial hardship if I need a medevac?"

A number of Hart's family and friends are also AirCare members, and so far no one has had to use it.

"It's peace of mind," she says.

AirCare is purchased by household; one membership covers everyone in living in a home. The cost is \$100 a year.

It's considered a supplement to other health care insurance.

Airlift Northwest executive director Chris Martin says the company has always been clear that AirCare is not an insurance program.

"In most medical situations, insurance is billed and then there's a co-pay. What an AirCare membership guarantees you is that you have no out of pocket expenses or no co-pay. So we bill the insurance, we take what the insurance reimburses us and you as our AirCare member do not see a bill for any further services," she explains.

The AirCare program operates in Washington state as a non-profit, and was allowed to operate as a non-profit in Alaska under an exemption.

Acting Insurance Director Marty Hester says Airlift Northwest was no longer considered a non-profit when the company restructured under the University of Washington Medical School.

"The program they were offering was a transfer of risk and that is the definition of insurance, when a risk is transferred from one person to another," he says.

House Bill 300 and Senate Bill 159 should correct the problem.

The legislation allows air ambulance providers to offer membership programs like AirCare, and permits the insurance division to adopt regulations covering such programs.

Rep. Munoz's office worked with Hester on the legislation, but he would not comment on the bill.

She says she heard from a lot of constituents when they found out their supplemental plan was no longer good.

"The legislation will re-establish the opportunity for companies like Air Lift Northwest to provide membership service to residents that wish to have that extra coverage for emergency transport," Munoz says.

She says more than 1,300 Juneau residents have an AirCare membership and many are senior citizens. "Certainly we live in an area that is somewhat isolated and people, especially seniors and people facing difficult health situations, want this added assurance that they can get out safely and at a reasonable cost," Munoz says.

According to Airlift Northwest's Martin, Alaska is the only state in the U.S. that does not allow medevac services to offer a supplemental membership program to help defray the cost of an emergency medical flight.