

Ravalli County Commissioners Office

From: MACO <MACO@mtcounties.org>
Sent: Friday, October 23, 2015 12:23 PM
To: MACO
Subject: Urgent! Subscription Service Air Ambulance Provider Contracts

Importance: High

Dear Montana County Commissioners and County Attorneys,

It has come to the attention of MACo and State Auditor Monica Lindeen's office that several Montana Counties have recently been approached by Subscription Service Air Ambulance Providers to enter into a direct contract for services.

There are a number of concerns with the proposed service contracts:

- 1) Many other air ambulance providers, and the majority of medical providers, in Montana contract directly with Claims Administration Companies (Blue Cross/EBMS/Allegiance, etc.) to accept the pre-negotiated network payments without charging any additional fees and will not balance bill the individual after the insurance payment has been made.
- 2) The Subscription Service Air Ambulance Providers are offering Counties a contract in the form of an annual premium, so they won't balance bill an individual down the road should they ever need to use the contracted air ambulance services. However, the Subscription Service Air Ambulance Providers will still submit their bill to the individual's insurance plan and will be paid the plan rate, which can be up to 250% of the Medicare Allowable Rate. So they are getting paid by the insurance carrier the same as any network air ambulance provider. Also, even with a direct County contract in place, the Subscription Service Air Ambulance Providers will also bill uninsured individual's at the Medicare Allowable Rate.
- 3) There is no guarantee that the Subscription Service Air Ambulance Providers that you contract with will be the carrier that is used in an emergency situation. There are numerous documented instances where these Subscription Service Air Ambulance Providers balance bill individuals for tens of thousands of dollars even after they received insurance payments.

Please be advised that MACo is actively working with the Montana State Legislature, the Auditor's Office and other stakeholders to evaluate the validity and legality of the proposals being presented to Montana Counties.

Subscription Service Air Ambulance Providers operating within the State of Montana, and their billing practices are currently being investigated by a Legislative Interim Committee, and the State Auditor's Office will be issuing a Consumer Advisory regarding this issue in the next few days.

In the meantime, **Montana Counties are strongly urged not to enter into any direct contracts with Subscription Service Air Ambulance providers.**

More information will be forthcoming as it becomes available.