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SENATE MEMORIAL 62

52ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2016

INTRODUCED BY

Clemente Sanchez

A MEMORIAL

REQUESTING THE OFFICE OF SUPERINTENDENT OF INSURANCE, THE DEPARTMENT OF HEALTH, THE RISK MANAGEMENT DIVISION OF THE GENERAL SERVICES DEPARTMENT AND THE WORKERS' COMPENSATION ADMINISTRATION TO STUDY THE IMPACTS AND COSTS OF AIR AMBULANCE TRANSPORTS ON CONSUMERS, BENEFICIARIES AND PAYORS IN NEW MEXICO.

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

WHEREAS, the federal Airline Deregulation Act of 1978 was also enacted to further efficiency, innovation, low prices and

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1 a variety and quality of air transportation services, while
2 avoiding unreasonable industry concentration, excessive market
3 domination, monopoly powers and other conditions that would
4 tend to allow at least one air carrier to unreasonably increase
5 prices, reduce services or exclude competition; and

6 WHEREAS, generally, the federal government has authority
7 and oversight concerning the economic and safety aspects of the
8 industry such as matters related to prices, routes and
9 services; and

10 WHEREAS, under the federal Airline Deregulation Act of
11 1978, states are given the authority to regulate the medical
12 aspects of air ambulances; and

13 WHEREAS, since 1978, the federal aviation administration
14 has issued minimal regulations related to the market
15 competition, market concentration or rates of the air ambulance
16 industry; and

17 WHEREAS, since 2002, New Mexico has experienced
18 considerable mergers and acquisitions in the air ambulance
19 industry; and

20 WHEREAS, since 2007, considerable annual increases in
21 billed charges for facility-to-facility and site-to-facility
22 air ambulance transports have occurred; and

23 WHEREAS, industry expansion, consolidation, cost increases
24 and trade practices may present adverse financial and legal
25 risks to insurance consumers, beneficiaries and payors in New

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1 Mexico;

2 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE
3 OF NEW MEXICO that the office of superintendent of insurance be
4 requested to convene an air ambulance study group made up of
5 representatives of the department of health, the risk
6 management division of the general services department and the
7 workers' compensation administration to study the following
8 issues related to air ambulance transport in New Mexico:

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

14 B. New Mexico and federal laws applicable to the
15 operation of air ambulance transportation services in New
16 Mexico; and

17 C. mechanisms available to New Mexico to regulate
18 financial aspects of air ambulance transport services to ensure
19 cost-effective use of air ambulance transport services for
20 site-to-facility and facility-to-facility transports and to
21 assure consumer protection; and

22 BE IT FURTHER RESOLVED that the air ambulance study group
23 be requested to produce a report with findings, conclusions and
24 recommendations on the impacts and costs of air ambulance
25 transports on consumers, beneficiaries and payors in New

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1 Mexico; and

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

4 BE IT FURTHER RESOLVED that copies of this memorial be
5 transmitted to the chair of the legislative finance committee,
6 the superintendent of insurance, the secretary of health, the
7 director of the risk management division of the general
8 services department and the director of the workers'
9 compensation administration.