



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986

House Bill 5217 (Substitute H-2 as passed by the House)
House Bills 5218 and 5219 (as passed by the House)
Sponsor: Representative Joseph N. Bellino, Jr. (H.B. 5217)
Representative Tom Barrett (H.B. 5218)
Representative Beau Matthew LaFave (H.B. 5219)
House Committee: Insurance
Senate Committee: Insurance

Date Completed: 6-6-18

CONTENT

The bills would amend the Public Health Code to establish requirements that would apply to the transportation of a patient by an aircraft transport vehicle or an ambulance that was a rotary aircraft (aerial transport).

House Bill 5217 (H-2) provides that a hospital would have to require that a patient be transported by an ambulance that was a motor vehicle, instead of an aircraft, unless there was medical necessity to transport the patient by aircraft.

House Bill 5218 would do the following:

- Require a hospital to disclose certain information before ordering the aerial transport of a nonemergency patient.
- Require the hospital to complete a notice described in the bill, obtain the signature of the nonemergency patient or his or her representative, and retain a copy of the notice for at least seven years.

House Bill 5219 would do the following:

- Require an ambulance operation or aircraft transport operation to provide a nonemergency patient, or the patient's representative, with certain information before conducting aerial transport.
- Require the ambulance operation or aircraft transport operation to complete a notice described in the bill, obtain the signature of the nonemergency patient or his or her representative, and retain a copy of the notice for at least seven years.
- Require the ambulance operation or aircraft transport operation to accept the amount covered by the patient's health benefit plan for transporting the patient as payment in full, other than coinsurance, copayments, or deductibles, under certain circumstances.
- Require a hospital to grant landing access to an ambulance operation or aircraft transport operation that was a participating provider with the patient's health benefit plan if that hospital had the infrastructure to do so.

Under each of the bills, in addition to the sanctions set forth in the Code, a hospital that violated the bill's provisions would be liable to the aircraft transport operation or ambulance operation for the cost of transporting the patient to the extent that the cost exceeded the amount covered by the patient's health benefit plan.

Each bill would take effect 90 days after it was enacted.

The bills are tie-barred to each other.

House Bill 5217 (H-2)

Under the bill, a hospital would have to require that a patient be transported by an ambulance that was a motor vehicle instead of an aircraft transport vehicle or an ambulance that was a rotary aircraft, unless transporting the patient by that aircraft was medically necessary for the patient.

If a hospital determined that ordering aerial transport for a nonemergency patient was medically necessary for the patient, the hospital would have to order an aircraft transport vehicle from an aircraft transport operation, or an ambulance that was a rotary aircraft from an ambulance operation, that was a participating provider with the patient's health benefit plan before ordering one from an operation that was not a participating provider.

House Bill 5218

Under the bill, subject to Section 21540 (which House Bill 5217 (H-2) would enact), before ordering an aircraft transport vehicle from an aircraft transport operation or an ambulance that was a rotary aircraft from an ambulance operation to transport a nonemergency patient, a hospital would have to disclose to the patient, or the patient's representative, all of the following information:

- Whether the aircraft transport operation or ambulance operation was a participating provider with the patient's health benefit plan.
- A good-faith estimate of the cost of using the aircraft transport operation or ambulance operation to transport the patient.
- That the patient had a right to be transported by a method other than aerial transport.
- Upon request, a good-faith estimate of the cost of using each method of transportation other than an aircraft transport vehicle or ambulance that was a rotary aircraft.

The hospital also would have to complete a notice described in the bill and, after its completion, obtain on the notice the signature of the nonemergency patient, or his or her representative, acknowledging that the patient or representative had received and read and understood the notice. The hospital would have to retain a copy of the notice for at least seven years. The notice could not be in less than 12-point type and would have to be in substantially the form described under the bill.

The notice would have to indicate the following:

- Whether the patient's health benefit plan provided coverage for transportation by an aircraft transport vehicle or rotary aircraft ambulance, or coverage for transportation provided by the aircraft transport operation or ambulance operation ordered by the hospital.
- That the patient had a right to request the hospital to order an aircraft transport vehicle or rotary aircraft ambulance from an operation that was a participating provider in the patient's health benefit plan.
- That the patient could be subject to a deductible, copayment, or coinsurance if his or her health benefit plan provided coverage for transportation by an aircraft transport vehicle or rotary aircraft ambulance.

- That the patient could be responsible for the costs of transportation not covered by his or her health benefit plan if the patient willingly chose to be transported by an aircraft transport operation or ambulance operation that was not a participating provider.
- That the patient had a right to request, and the hospital would have to provide, a good-faith estimate of the cost of the services provided by the aircraft transport operation or ambulance operation.
- That the patient had a right to request transportation by methods other than aerial transport and the right to request a good-faith estimate of the cost of each other method of transportation, and the hospital would have to provide a good-faith estimate.

Upon the request of a nonemergency patient's health benefit plan or third party administrator, the hospital would have to provide a copy of the notice to the person designated in the patient's health benefit plan or by the third party administrator.

Within 10 days after ordering an aircraft transport vehicle or ambulance that was a rotary aircraft to transport an emergency or nonemergency patient, the hospital would have to provide to the person designated in the patient's health benefit plan or to the third party administrator written documentation explaining why transporting the patient by an ambulance that was a motor vehicle was medically inappropriate for the patient.

House Bill 5219

Under the bill, before transporting a nonemergency patient in an ambulance that was a rotary aircraft, an ambulance operation would have provide the patient, or the patient's representative, with all of the following information:

- Whether the ambulance operation was a participating provider with the patient's health benefit plan.
- A good-faith estimate of the cost for transporting the patient.
- That the patient had a right to be transported by a method other than an ambulance that was a rotary aircraft.

The ambulance operation also would have to complete a notice described in the bill and, after completing it, obtain on the notice the signature of the nonemergency patient, or his or her representative, acknowledging that the patient or representative had received and read and understood the notice. An ambulance operation would have to retain a copy of the notice for at least seven years. The notice could not be in less than 12-point font and would have to be in substantially the form described under the bill.

The notice would have to indicate the following:

- That the patient had been given the good-faith estimate of the cost of transportation by the rotary aircraft ambulance.
- That the patient had been notified by the ambulance operation that the rotary aircraft ambulance was or was not a participating provider.
- That the patient had been notified of his or her right to request transportation from an ambulance operation that was a participating provider.
- That the patient was aware that he or she could be subject to a deductible, copayment, or coinsurance if his or her health benefit plan provided coverage for transportation by a rotary aircraft ambulance or transportation provided by the ambulance operation.
- That the patient had been informed that he or she could be responsible for the costs of being transported by the ambulance operation not covered by the health benefit plan, if the operation were not a participating provider.

-- That the patient had been informed of his or her right to be transported by a method other than an ambulance that was a rotary aircraft.

Upon the request of a nonemergency patient's health benefit plan or third party administrator, an ambulance operation would have to provide a copy of the notice to the person designated in the patient's health benefit plan or the third party administrator.

If the ambulance operation failed to provide a nonemergency patient with the notice, it would have to accept the amount covered by the patient's health benefit plan for transporting him or her as payment in full, other than coinsurance, copayments, or deductibles. If the patient were an emergency patient, the ambulance operation would have to accept the amount covered by the patient's health benefit plan for transporting him or her as payment in full, other than coinsurance, copayments, or deductibles.

If a patient at a hospital requested transportation from an ambulance operation that was a participating provider with the patient's health benefit plan, an ambulance that was a rotary aircraft that was operated by the ambulance operation would have the right to land at the destination hospital for the purpose of transporting the patient, regardless of whether the ambulance operation was a contracted provider with the originating hospital or the destination hospital.

The bill includes similar notice and landing requirements that would apply to an aircraft transport operation using an aircraft transport vehicle.

If a hospital had the infrastructure necessary to allow an aircraft transport vehicle or ambulance that was a rotary aircraft that was a participating provider with a patient's health benefit plan to land at the hospital, the hospital would have to grant the right to land at the hospital. If the hospital denied the right to land, it would have to provide to the person designated in the patient's health benefit plan written documentation explaining the reason for the denial, within 10 days after the denial. A hospital could not deny the right to land for the purpose of allowing an aircraft transport vehicle or ambulance that was a rotary aircraft that was a contracted provider with the hospital to remain on standby.

MCL 333.20919 et al. (H.B. 5217)
333.21501 et al. (H.B. 5218)
Proposed MCL 20921b et al.

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bills would have a minor negative fiscal impact on the Department of Licensing and Regulatory Affairs (LARA). The bills would create additional requirements for hospitals, which could lead to sanctions through the Department in the case of violations. However, current funding would likely cover the cost of administering these sanctions.

The bill would have an indeterminate fiscal impact on local governments that operate emergency vehicle services. The local government could experience a change in operations costs, dependent on the emergency services provided.

Fiscal Analyst: Elizabeth Raczkowski

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.