
Taken for a ride: Your medical emergency could end in bankruptcy

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ALBUQUERQUE, N.M. (KRQE) - Former New Mexico Insurance Superintendent Chris Krahling calls an obscure insurance practice, "Cold. Unethical. Wrong."

We buy health insurance for protection from unforeseen medical emergencies. That's the way it's supposed to work. However, a four-month News 13 investigation has uncovered a cruel and heartless tactic that's leaving some families on the brink of bankruptcy.

Melvin and Tricia Banister know the issue first hand. While working on a piece of machinery in Carlsbad last year, Melvin fell and fractured his hip.

"It's the worst pain I've ever had in my life," Melvin Banister said. "Anytime they moved me I would just start screaming and hollering because it hurt so bad."

Melvin required emergency surgery. However, the Carlsbad hospital where he was being treated did not have an on-call orthopedic surgeon.

"The E.R. doctor said that he needed to be airlifted out," Tricia Banister said. "I said, 'Can I take him by car?' And she said no. And I said, 'By ambulance?' And she said no, he needs to be airlifted."

Melvin was flown by air ambulance 160 miles to a hospital in Lubbock. He underwent surgery the next day and made a full recovery. However, the Carlsbad retiree would soon learn this ordeal was just beginning. It was triggered by an invoice that came in the mail a few weeks after Melvin's accident: a \$64,999 bill for that 75-minute medical helicopter transport.

"I thought it was a crazy amount. That's just ridiculously high, and I thought the insurance would pay for it," Tricia Banister said.

The Banisters submitted the bill to their insurance company, Blue Cross Blue Shield, for payment. However, BCBS rejected the claim, sticking the Banisters with the \$64,999 obligation.

The nearest Burn Unit to El Paso is 300 miles.

"They put me on (an air ambulance) plane and transported me...to Lubbock, Texas," Ludwig said. "I was thinking this is probably going to be a very expensive situation. But I didn't think I had any sort of worry given the fact that I had insurance."

Little did Travis Ludwig know that one year later his insurance company, Molina Healthcare, would flat out refuse to pay the air ambulance bill leaving Travis with a \$65,000 debt.

"I was flabbergasted. I just was completely floored," Ludwig said.

On appeal, Molina Healthcare reconsidered and agreed to pay a small portion of the air ambulance bill. However, Travis Ludwig was stuck with paying the balance, \$55,243, out of his pocket. "

It's so exorbitant, it's so unreasonable and unconscionable. How can anybody pay that? Nobody," Ludwig said.

A spokesperson for Molina Healthcare said the insurance company could not discuss its handling of the Ludwig claim.

What's going on here? Well, if you thought health insurance covers big-ticket expenses like an air ambulance, think again. In fact, in New Mexico, if you have a medical emergency and need to be transported by air, you could be stuck with the bill, and it might set you back as much as \$60,000-\$70,000.

"It's a huge issue in the state of New Mexico. It's at a crisis level," said Insurance Superintendent John Franchini. Franchini calls air ambulance billing practices outrageous.

"The bills are not justified. They're highway robbery. They are charging excessive amounts of money," Franchini said.

However, Air Methods, one of the largest air ambulance companies in the country, said it is not gouging consumers. Air Methods executive Doug Flanders said it costs the medical airlift firm millions of dollars to run a 24/7 New Mexico operation staffed by teams of medical and flight professionals.

"We are basically a flying ICU," Doug Flanders said. "We can do things that you can't do by ground, and we can get there quicker, thus making sure that these patients have a greater degree of success from a health care recovery."

Statement from Blue Cross and Blue Shield of New Mexico

“ As it relates to air ambulance companies, noncontracted rates are generally much higher when compared to Commercial contracted rates and Medicaid and Medicare rates.

As an example, a noncontracted air ambulance company liftoff rate can be \$30,000 or higher. When mileage rates of \$250 per mile for noncontracted air ambulance companies are added to the liftoff rate, we have seen total charges up to \$65,000 for relatively short flights.

That is compared to liftoff rates for Medicaid and Medicare that range from about \$1,800 to \$4,000. When mileage rates ranging from \$7 to \$35 per mile are added in, total charges for a similar flight would more likely be in the range of \$6,500.

Contracted air ambulance companies include San Juan Regional Medical Center AirCare, CSI Aviation Inc., Med Flight Air Ambulance, University of New Mexico Hospital's Lifeguard Air Emergency Services, Critical Air Response Enterprises, PHI Air Medical, and Southwest Med. Evac. Inc.

List of air ambulance cases in the office of the New Mexico Superintendent of Insurance as of August 2018

TH New Mexico Health Connections NMHC
Air Ambulance Provider: Mercy Air Service

Grievant TH filed a complaint against NMHC. TH is being balance billed for \$37,579.77. NMHC paid Mercy Air Service \$15,920.45. Total bill for the services provided by Mercy Air Service is \$53,500.22. Grievant was transported from Pahrump, Nevada to University Medical Center, Las Vegas, NV for treatment of a gunshot wound to the right knee (traumatic injury).

This appeal was for two fixed wing air ambulance transports. In May, JG was transported due to altered mental status after being found unresponsive at home. In June, JG was reported to have epilepticus with seizures for two hours or more and needed large doses of benzodiazepines. Dr. H ordered air transport from Silver City to the Tucson AZ Medical Center for neurology specialty services, as the specialty services were unavailable at the sending facility. JG was transported 166 miles.

Total Bill: \$82,645.00

As of September 11, 2018, a Post Service Internal Review of Adverse Determination approved the reprocessing of these claims.

TL Molina

Air Ambulance Provider: Rocky Mountain Holdings, LLC

The total initial bill is \$64,999.00. Molina is paying \$8,755.86 and the grievant has a co-insurance responsibility of \$2,188.96, with an unpaid balance of \$54,054.18. TL was transported by ground ambulance from The Hospitals of Providence Transmountain Campus to El Paso International Airport El Paso, TX, then transported by air to Lubbock Preston Smith International Airport Lubbock, TX, then transported by ground to University Medical Center (UMC) of Lubbock: TL was transported from El Paso due to 1st degree burns to his cheek and 2nd degree burns to right hand and upper leg. Airtime is 70 minutes and ground is 360 minutes. Molina stated that they reached out to their UM Department to review the claim submission.

PA New Mexico Health Connections

Air Ambulance Provider: Rocky Mountain Holdings, LLC

PA transported by air from Roswell, NM to Albuquerque, NM for treatment of a wrist fracture (Subdural hernatoma-HCC); comminuted intra-articular minimally displaced fracture involving the distal radius, with accompanying fracture fragment of the ulnar styloid. There were degenerative changes at the base of the thumb. The amount of the total bill is \$64,999.00. NMHC paid \$20,113.63 and the unpaid balance is \$44,785.37.

KS BCBSNM

Air Ambulance Provider: PHI Air Medical, LLC

KS was seen in the ER and had obstructed right pyelonephritis associated with right ureteral stone, along with ESBL bacteremia and Nephrolithiasis. Dr. B ordered air transport from Gallup, NM to UNMH in Albuquerque, NM. The total balance of the bill is \$62,363.05, Discounts, reductions and payments applied \$1,593.05, and the amount not covered \$60,770.00.