

**SENATE BILL 504**

By Powers

AN ACT to amend Tennessee Code Annotated, Title 47, Chapter 18; Title 56 and Title 71, relative to air ambulance memberships.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 47, Chapter 18, is amended by adding the following as a new part:

**47-18-5601.**

As used in this part:

(1) "Air ambulance membership agreement":

(A) Means an agreement in exchange for consideration to pay for, indemnify, or provide an amount or benefit to a person for the cost of air ambulance services; and

(B) Does not include a health insurance plan or policy regulated under title 56; and

(2) "Consumer protection division" or "division" means the consumer protection division of the office of the attorney general and reporter.

**47-18-5602.**

(a) An individual or entity shall not sell, offer for sale, or provide an air ambulance membership agreement to an individual who is enrolled in TennCare.

(b) If an individual who has purchased or who has otherwise been provided with an air ambulance membership agreement subsequently enrolls in TennCare during the duration of the membership agreement, then the individual is entitled to a pro-rated refund of any consideration paid.

**47-18-5603.**

(a) All air ambulance membership agreement websites, brochures, and marketing material must include the following disclosure in at least eighteen-point Times New Roman font:

**TennCare covers air ambulance transport services and requires no out-of-pocket expense by the enrollee. Therefore, an enrollee in TennCare does not need an air ambulance membership agreement. It is unlawful for [seller] to sell an air ambulance membership agreement to an enrollee in TennCare.**

(b) An air ambulance membership agreement application must include the following disclosure in at least eighteen-point Times New Roman font:

**TennCare covers air ambulance transport services and requires no out-of-pocket expense by the enrollee. Therefore, an enrollee in TennCare does not need an air ambulance membership agreement. It is unlawful for [seller] to sell an air ambulance membership agreement to an enrollee in TennCare. By submitting this application, you attest to the fact that you are not currently, nor do you plan to be, enrolled in TennCare.**

**If you are not currently enrolled in TennCare but become enrolled at any time during the duration of the membership agreement, then you are entitled to a pro-rated refund and may contact [seller] to obtain your refund.**

**47-18-5604.**

(a) If an enrollee believes that an individual or entity has violated this part, then the enrollee may submit a complaint to the consumer protection division.

(b) If the consumer protection division believes, based on a complaint received pursuant to subsection (a) or another source, that an individual or entity has violated this part, then the division shall fine the individual or entity five thousand dollars (\$5,000) per violation. For purposes of determining the number of violations committed by the individual or entity:

(1) Each instance of knowingly selling, offering for sale, or providing an air ambulance member agreement to an individual who is enrolled in TennCare, in violation of § 47-18-5602(a), constitutes a separate violation; and

(2) Each instance of failing to provide a refund as required by § 47-18-5602(b) constitutes a separate violation.

(c) The division may assess an additional fine for each instance of an individual or entity's failure to comply with § 47-18-5603.

(d)

(1) If an individual or entity is fined more than fifty thousand dollars (\$50,000) in a calendar year, then the individual or entity shall initiate and complete a corrective action plan, as approved by the division.

(2) If the division determines that an individual or entity failed to complete a corrective action plan as required by subdivision (d)(1), then the individual or entity loses the individual or entity's right to sell or otherwise provide memberships for an air ambulance transport service in this state permanently.

SECTION 2. This act takes effect July 1, 2023, the public welfare requiring it, and applies to conduct occurring on or after that date.

Amendment No. 1 to SB0504

Bailey  
Signature of Sponsor

**AMEND Senate Bill No. 504\***

**House Bill No. 633**

by deleting all language after the enacting clause and substituting:

SECTION 1. Tennessee Code Annotated, Title 47, Chapter 18, is amended by adding the following as a new part:

**47-18-5601.**

As used in this part:

(1) "Air ambulance membership agreement":

(A) Means an agreement in exchange for consideration to pay for, indemnify, or provide an amount to a person for the cost of air ambulance services; and

(B) Does not include a health insurance plan or policy regulated under title 56;

(2) "Air ambulance membership organization" means an individual or entity that provides an air ambulance membership agreement; and

(3) "Consumer protection division" or "division" means the consumer protection division of the office of the attorney general and reporter.

**47-18-5602.**

(a) An air ambulance membership organization shall not knowingly sell, offer for sale, or provide an air ambulance membership agreement to an individual who is enrolled in TennCare Medicaid.

(b) If an individual who has purchased an air ambulance membership agreement subsequently enrolls in TennCare Medicaid during the duration of the membership

agreement, the enrollee shall notify the air ambulance membership organization of such enrollment within thirty (30) days following the effective date of the enrollment. If the enrollee timely notifies the air ambulance membership organization of such enrollment, the air ambulance membership organization shall provide the enrollee a pro-rated refund of any consideration paid for the period from the effective date of the TennCare Medicaid enrollment through the expiration date of the air ambulance membership agreement. If the enrollee does not timely notify the air ambulance membership organization of such enrollment, the enrollee is not entitled to a pro-rated refund, but the air ambulance membership organization shall still disenroll the enrollee within thirty (30) days of receipt of the notice of the enrollee's enrollment in TennCare Medicaid.

**47-18-5603.**

(a) All air ambulance membership agreement websites, brochures, and marketing material must include the following disclosures in at least twelve-point Times New Roman font, or, alternatively, a clear and conspicuous hyperlink that leads to the following disclosures:

(1) The air ambulance membership agreement is a membership plan and is not insurance coverage;

(2) TennCare Medicaid covers air ambulance transport services and requires no out-of-pocket expense by the enrollee for air ambulance transport services; and

(3) Some state laws prohibit Medicaid beneficiaries from being offered air ambulance memberships or being accepted into air ambulance membership programs. If an individual submits an air ambulance membership agreement application, the applicant must attest to the fact that the applicant is not currently, nor plans to be, enrolled in Medicaid.

(b) An air ambulance membership agreement application must include the following disclosures in at least twelve-point Times New Roman font:

(1) The air ambulance membership agreement is a membership plan and is not insurance coverage;

(2) TennCare Medicaid covers air ambulance transport services and requires no out-of-pocket expense by the enrollee for air ambulance transport services; and

(3) Some state laws prohibit Medicaid beneficiaries from being offered air ambulance memberships or being accepted into air ambulance membership programs. By submitting this application, the applicant attests to the fact that the applicant is not currently, nor plans to be, enrolled in Medicaid. If the applicant is not currently enrolled in Medicaid, but becomes enrolled at any time during the duration of the membership agreement, then the applicant must notify the air ambulance membership organization within thirty (30) days. If the applicant timely notifies the air ambulance membership organization of such enrollment, then the air ambulance membership organization must provide the applicant a pro-rated refund of any consideration paid for the air ambulance membership agreement.

**47-18-5604.**

(a) If an enrollee believes that an individual or entity has violated this part, then the enrollee may submit a complaint to the consumer protection division.

(b) If the consumer protection division finds that an individual or entity has violated this part, then the division may seek any remedies available pursuant to the Tennessee Consumer Protection Act of 1977, compiled in part 1 of this chapter.

SECTION 2. This act takes effect July 1, 2023, the public welfare requiring it, and applies to conduct occurring on or after that date.