

CY 2005

Ambulance Fee Schedule

Public Use Files

Background

The Ambulance Fee Schedule was implemented on April 1, 2002. The accompanying public use files reflect updates effective for 2005.

Applicable Provisions of the Balanced Budget Act (BBA) of 1997

Section 4531 (b) (2) of the Balanced Budget Act (BBA) of 1997 added a new section 1834 (1) to the Social Security Act which mandates implementation of a national fee schedule for ambulance services furnished as a benefit under Medicare Part B. The fee schedule applies to all ambulance services, including volunteer, municipal, private, independent, and institutional providers, i.e., hospitals, critical access hospitals (except when it is the only ambulance service within 35 miles), and skilled nursing facilities.

Section 1834 (1) also requires mandatory assignment for all ambulance services. Ambulance providers and suppliers must accept the Medicare allowed charge as payment in full and not bill or collect from the beneficiary any amount other than any unmet Part B deductible and the Part B coinsurance amounts.

The fee schedule is effective for claims with dates of service on or after April 1, 2002. Ambulance services covered under Medicare will then be paid based on the lower of the actual billed amount or the ambulance fee schedule amount. The fee schedule will be phased in over a 5-year period. During this 5-year period amounts payable for services provided will be a blend of fee schedule and reasonable charge amounts. For the period 01/01/05 – 12/31/05 payment is based on a blend of 80 percent of the fee schedule amount plus 20 percent of the reasonable charge/cost for the service.

Additional Payments for Ground Ambulance Services Under Section 414 of the Medicare Prescription Drug, Improvement, and Modernization Act (MMA) of 2003

Section 414 of the MMA of 2003 provides for additional payments for ground ambulance services. The following changes to the payment rates for rural and urban ground ambulance transports became effective on July 1, 2004:

- *Phase-In Providing Floor Using Blend of Fee Schedule and Regional Fee Schedules (Transition Period effective July 1, 2004 - December 31, 2009):*

This provision of MMA establishes a floor amount for the FS portion of the payment. For the period July 1, 2004 to December 31, 2009, the FS portion of the payment will be either the regular (national) fee schedule amount, or a blended amount of the national rate and the regional fee schedule amount calculated by CMS. Providers/suppliers will be reimbursed using the higher of these two amounts.

- Adjustment in Payment for Certain Long Trips (Effective July 1, 2004 to December 31, 2008):

This provision of the MMA establishes a 25 percent bonus on the mileage rate for ground miles 51 and greater. This bonus amount is payable for ground transports originating in both rural and urban areas.

- Improvement in Payments to Retain Emergency Capacity for Ambulance Services in Rural Areas (Effective July 1, 2004 to December 31, 2009):

This provision of the MMA directs the Secretary to provide an increase in the base payment rate for ground ambulance trips that originate in a rural area with a population density in the lowest quartile of all rural county populations, through 2009. The bonus amount to be applied for the designated rural areas is a multiplier determined by CMS. Medicare contractors apply the “super-rural” bonus amount as a multiplier to the base rate where the point of pickup (POP) is in one of a group of designated rural ZIP codes.

- Temporary Increase for Ground Ambulance Services (Effective July 1, 2004 to December 31, 2006):

This provision of MMA establishes an overall increase of 1 percent for ground transports originating in urban areas and 2 percent for ground transports originating in rural areas. The percentage increase applies to both the base rate and the mileage amount for the FS portion of the payment for ground ambulance services.

For more information concerning the MMA payment increases for ambulance services, see the interim final rule with comment period, “Medicare Ambulance MMA Temporary Rate Increases Beginning July 1, 2004,” published in the Federal Register on July 1, 2004 (CMS-1492-IFC).

Overview of the Ambulance Public Use File

This public use file will display the 100 percent amount of the ambulance fee schedule. To determine the amount payable during 2005 you will have to do the following operations:

For the fee schedule portion:

- Multiply the 100 percent ambulance fee schedule amount times .80.

For the reasonable charge/cost portion:

- For suppliers that bill carriers, multiply the CY 2005 reasonable charge amount times .20. If you do not have your reasonable charge amount for CY 2005 please contact your carrier to obtain it.
- For hospital-based ambulances, calculate the reasonable cost portion using the following method:

- Use the provider's interim rate multiplied by the billed charge multiplied by 20% (2005 transition percentage). This payment calculation is the sum of the base rate and mileage payment. These amounts are cost settled at the end of the provider's fiscal year and are limited by the statutory inflation factor applied to 20% of the providers cost per ambulance trip limit applicable to a particular service (Refer to PM A-98-2).

For the period 1/1/05 – 12/31/05 total payment is based on the sum of 80 percent of the fee schedule amount and 20 percent of the reasonable charge/cost amount.

When fully implemented, the fee schedule will replace the current retrospective reasonable cost reimbursement system for providers and the reasonable charge system for ambulance suppliers.

Data Elements of the Ambulance Public Use File

(1) Carrier: This is the identifier used by the Centers for Medicare and Medicaid Services to identify the entity which has the responsibility for adjudicating and paying claims within a defined geographical location.

Fiscal Intermediaries pay based on the zip code within the appropriate carrier geographic location.

(2) Locality: This field represents subsets of locations within a defined jurisdiction with different GPCI's.

(3) HCPCS: This field has the full range of Healthcare Common Procedure Coding System (HCPCS) services payable under the ambulance fee schedule.

(4) Conversion Factor (CF): The CF is a money amount used to develop a base rate for each level of ground ambulance service. The CF will be updated as necessary. The CF does not apply to mileage payment amounts.

There is no conversion factor for Air Ambulance Services so this field has a value of 1.00.

(5) Relative Value Units (RVU): RVUs set a numeric value for ambulance services relative to the value of a base level ambulance service. Since there are marked differences in resources necessary to furnish the various levels of ground ambulance services, different levels of payment are appropriate for the various levels of service. The different payment amounts are based on level of service. An RVU expresses the constant multiplier for a particular type of service (including, where appropriate, an emergency response). An RVU of 1.00 is assigned

to the Basic Life Support (BLS) level of ground service, i.e., BLS has an RVU of 1; higher RVU values are assigned to the other types of ground ambulance services, which require a higher level of service than BLS.

The RVUs are as follows:

<u>Service Level</u>	<u>RVU</u>
BLS	1.00
BLS - Emergency	1.60
ALS1	1.20
ALS1- Emergency	1.90
ALS2	2.75
SCT	3.25
PI	1.75

Air ambulance services have no RVUs. However, on the fee schedule and this public use file the base rate for air ambulance services is displayed as an RVU.

(6) Geographic Practice
Cost Index (GPCI):

The GPCI for the practice expense portion of the Medicare physician fee schedule is used to adjust payment to account for regional differences. The geographic areas applicable to the ambulance fee schedule are the same as those used for the physician fee schedule.

The location where the beneficiary was put into the ambulance (“point of pickup”) establishes which GPCI applies. For multiple vehicle transports, i.e., where ground ambulance transports to an air ambulance, each leg of the transport is separately evaluated for the applicable GPCI. Thus, for the second (or any subsequent) leg of a transport, the point of pickup establishes the applicable GPCI for that portion of the ambulance transport.

The GPCI is not applied to the mileage payment.

(7) Base Rate &
Urban Mileage:

This field displays one of four rates:

1. Urban ground base rates,
2. Urban air base rates,
3. Urban ground mileage rates.
4. Urban air mileage rates.

For more information on how the urban base rate and mileage rate amounts are calculated, see the ambulance fee schedule final rule published in the Federal Register on February 27, 2002 (67 FR 9100).

The urban base rates and urban mileage rate amounts for ground transport codes include a 1 percent payment increase, in accordance with Section 414 of the MMA of 2003.

(7)(a) Rural
Base Rate & Rural
Mileage:

This field displays one of four rates:

1. Rural ground base rates,
2. Rural air base rates,
3. Rural ground mileage rates.
4. Rural air mileage rates.

The amount payable for the base rate and all air miles for all air transportation beginning in a rural area is 1.5 times the urban air base and mileage rate.

For more information on how the rural base rate and mileage rate amounts are calculated, see the ambulance fee schedule final rule published in the Federal Register on February 27, 2002 (67 FR 9100).

The rural base rates and rural mileage rate amounts for ground transport codes include a 2 percent payment increase, in accordance with Section 414 of the MMA of 2003.

(7)(b) Rural
Base Rate – Lowest
Quartile:

This field displays the rural base rate adjusted by the “super-rural bonus” multiplier of 22.6 percent. In accordance with MMA Section 414, this bonus applies only to ambulance transports originating in a rural area determined by the Secretary to be in the lowest 25th percentile of all rural populations arrayed by population density. Medicare contractors will apply this amount to the base rate when the point of pickup (POP) is in one of a group of designated rural ZIP codes.

(8) Rural
Base/Miles 1-17

This field displays the amounts for rural ground miles 1-17.

For ground rural miles 1-17, the mileage rate for ground transports provided in a rural area is 1.5 times the rural mileage rate per mile.

(The urban ground mileage rate applies to miles 1-17 of a transport provided in an urban area.)

This field displays a rural amount for the air base rate and air mileage. The amount payable for the base rate and all air miles for all air transportation beginning in a rural area is 1.5 times the urban air base and mileage rates.

This field also displays the CY 2003 rates payable as updated from the 2002 fee schedule by the AIF.

(9) Urban
Miles 51+:

For all ground rural miles 51 and greater, the urban ground mileage rate per mile applies.

For all ground urban miles 51 and greater, the mileage rate is 1.25 times the urban ground mileage rate per mile.

This field does not apply to air base or mileage rate.

(10) Rural
Miles 51+:

For all ground rural miles 51 and greater, the rural rate is equivalent to the urban ground mileage rate per mile.

For all ground rural miles 51 and greater, the mileage rate is 1.25 times the rural ground mileage rate per mile.

This field does not apply to air base or mileage rate.