CY 2005
Ambulance Reasonable Charge
Public Use File

NOTE: The CY2005 Ambulance Reasonable Charge Public Use File may not contain prevailing IIC amounts for all Healthcare Common Procedure Coding System (HCPCS) procedure codes and localities. Please contact your local carrier if you require additional information.

Background

The Ambulance Fee Schedule was implemented on April 1, 2002. This document explains the layout of the reasonable charge public use file.

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 (l) 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 1/01/05 - 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.

Suppliers and providers without a contract establishing payment amounts for services provided to a beneficiary enrolled in a Medicare+Choice (M+C) coordinated care plan or M+C private fee-for-service plan must accept, as payment in full, the amounts that they could collect if the beneficiary were enrolled in original Medicare. The provider or supplier can collect from the M+C plan enrollee the cost-sharing amount required under the M+C plan, and collect the remainder from the M+C organization.

In order to ensure that suppliers receive the amounts reimbursable under each of these payment methods, the Centers for Medicare and Medicaid Services (CMS) will issue a yearly fee schedule

and post a public use file on the ambulance services website. In addition, CMS will post the prevailing IIC reasonable charge amounts for ambulance services and supplies each calendar year during the transition period.

This public use file will display 100 percent of the reasonable charge amount by HCPCS procedure code for each locality. To determine the reasonable charge amount payable during 2005 you will have to do the following operations:

For the reasonable charge/cost portion:

- For suppliers that bill carriers, multiply the CY 2005 reasonable charge amount times .20.

- 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 percent (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 percent of the provider's cost per ambulance trip limit applicable to a particular service.

For the fee schedule portion:

- Multiply the 100 percent ambulance fee schedule amount times .80. (See the Ambulance Fee Schedule Public Use File for CY2005 fee schedule amounts.)

Beginning January 1, 2005 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 Reasonable Charge Public Use File

(1) Carrier:	This is the identifier used by the CMS to identify the entity that 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 GPCIs.

NOTE: The locality definitions for reasonable charge differ from those established under the fee schedule. Please contact your local carrier for this information.

(3) HCPCS: This field has the full range of HCPCS services payable under the ambulance fee schedule.

(4) Prevailing IIC: This field displays 100 percent of the CY2005 prevailing inflation index charge (IIC) reasonable charge amount by HCPCS for each locality.

NOTE: The 2005 prevailing IIC reasonable charge amounts have been calculated using the carrier-supplied reasonable charge prevailing IIC amounts for 2004, updated by the Ambulance Inflation Factor (AIF) for 2005 (3.3 percent).

These rates do not apply to new suppliers. If you are a new supplier, please contact your local carrier to determine the reasonable charge rate.

(5) Billing Method: This column displays the supplier billing method that applies to the HCPCS procedure code when the code may only be billed by suppliers using a certain billing method (i.e., method 1, 2, 3 or 4). If more than one billing method applies, a separate amount is displayed for each billing method. Generally, if no method is indicated, the carrier restricts billing to a single method.

(6) Notes: This column provides further information about the information displayed in the preceding columns.