CMS Manual System	**Department of Health & Human Services (DHHS)**
Pub 100-08 Medicare Program Integrity	**Centers for Medicare & Medicaid Services (CMS)**
Transmittal 261	**Date: June 27, 2008**
	Change Request 6078

SUBJECT: Update to Section 12 of Chapter 10 of the Program Integrity Manual

I. SUMMARY OF CHANGES: This change request adds ambulances to the list of providers and suppliers that are discussed in Pub. 100-08, chapter 10, section 12. It also furnishes clarification on the question of changes of ownership for suppliers of durable medical equipment, prosthetics, orthotics and supplies (DMEPOS).

New / Revised Material
Effective Date: July 1, 2008
Implementation Date: July 28, 2008

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)
R=REVISED, N=NEW, D=DELETED

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	10/Table of Contents
N	10/12.2.8/Suppliers of Ambulance Services
N	10/21.3/Special Situations Concerning Accreditation and Enrollment

III. FUNDING:
SECTION A: For Fiscal Intermediaries and Carriers:
No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

SECTION B: For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the contracting officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the contracting officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

Business Requirements

Manual Instruction

Unless otherwise specified, the effective date is the date of service.

Attachment - Business Requirements

Pub. 100-08	Transmittal: 261	Date: June 27, 2008	Change Request: 6078

SUBJECT: Update to Section 12 of Chapter 10 of the Program Integrity Manual (PIM)

Effective Date: July 1, 2008

Implementation Date: July 28, 2008

I. GENERAL INFORMATION

A. Background: This change request adds ambulances to the list of providers and suppliers addressed in Pub. 100-08, chapter 10, section 12. It also furnishes clarification on the issue of changes of ownership for suppliers of durable medical equipment, prosthetics, orthotics and supplies (DMEPOS).

B. Policy: The main purpose of this change request is to help familiarize provider enrollment personnel with various coverage and claims policies related to ambulances. This instruction does not involve the creation of any new policy. It merely incorporates into chapter 10 various ambulance instructions already contained in CMS Pub. 100-02 (Medicare Benefit Policy Manual) and 100-04 (Medicare Claims Processing Manual).

II. BUSINESS REQUIREMENTS TABLE

Use"Shall" to denote a mandatory requirement

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
6078.1	The contractor shall note the addition of section 12.2.8 to chapter 10.	X			X						
6078.2	The contractor shall reject a change of ownership application for an existing DMEPOS supplier location submitted by a new owner company with a new tax identification number (TIN) if the new owner does not have an accreditation that covers all of its locations.										NSC
6078.2.1	In the scenario described in 6078.2, if the old owner does have such an accreditation, the contractor can enroll the new owner as of the date of sale if the accreditor determines that the accreditation should remain in effect as of the date of sale. (This, however, is only applicable when the new owner also meets all other enrollment criteria found at 42 CFR § 424.57).										NSC
6078.2.2	In the scenario described in 6078.2, if the new owner submits an application without evidence that the accreditation is still in effect for the new owner, the contractor shall reject the application.										NSC

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
6078.3	In cases where more than 5 percent of the DMEPOS supplier's ownership has changed, and the change in ownership was not reported to the NSC within the required 30-day period, the NSC shall proceed with revocation action.										NSC
6078.3.1	In cases where more than 5 percent of the DMEPOS supplier's ownership has changed, the NSC received the change within the required 30-day period, and the supplier has been accredited, the NSC shall immediately notify the accreditor of the ownership change and request that the latter advise the NSC if the accreditation should still remain in effect.										NSC

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
	None.										

IV. SUPPORTING INFORMATION

Section A: For any recommendations and supporting information associated with listed requirements, use the box below: N/A
Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: For all other recommendations and supporting information, use this space: N/A

V. CONTACTS

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Post-Implementation Contact: Frank Whelan, frank.whelan@cms.hhs.gov, (410) 786-1302.

VI. FUNDING

Section A: For *Fiscal Intermediaries (FIs), Carriers, and Regional Home Health Carriers (RHHIs):* No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

Section B: *For Medicare Administrative Contractors (MACs)*: The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the contracting officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the contracting officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

Medicare Program Integrity Manual
Chapter 10 - Medicare Provider/Supplier Enrollment

Table of Contents
(Rev.261, 06-27-08)

12.2.8 - Suppliers of Ambulance Services

(Rev.261, Issued: 06-27-08, Effective: 07-01-08, Implementation: 07-28-08)

Per 42CFR §410.40(d), Medicare covers ambulance services, including fixed wing and rotary wing ambulance services, only if they are furnished to a beneficiary whose medical condition is such that other means of transportation are contraindicated.

A. Types of Ambulance Services

There are several types of ambulance services covered by Medicare. They are defined in 42CFR §414.605 as follows:

1. ***Advanced Life Support, level 1*** *(ALS1) - Transportation by ground ambulance vehicle, medically necessary supplies and services, and either an ALS assessment by ALS personnel or the provision of at least one ALS intervention.*

   NOTE: *Per 42CFR §414.605, ALS personnel means an individual trained to the level of the emergency medical technician-intermediate (EMT-Intermediate) or paramedic. The EMT-Intermediate is defined as an individual who is qualified, in accordance with State and local laws, as an EMT-Basic and who is also qualified in accordance with State and local laws to perform essential advanced techniques and to administer a limited number of medications.*

2. ***Advanced Life Support, level 2*** *(ALS2) - Either transportation by ground ambulance vehicle, medically necessary supplies and services, and the administration of at least three medications by intravenous push/bolus or by continuous infusion, excluding crystalloid, hypotonic, isotonic, and hypertonic solutions (Dextrose, Normal Saline, Ringer's Lactate); or transportation, medically necessary supplies and services, and the provision of at least one of the seven ALS procedures specified in 42CFR §414.605.*

3. ***Air Ambulance*** *(Fixed-Wing and Rotary-Wing) - Air ambulance is furnished when the patient's medical condition is such that transport by ground ambulance, in whole or in part, is not appropriate. Generally, this type of transport may be necessary because: (1) the patient's condition requires rapid transport to a treatment facility and either greater distances or other obstacles (e.g., heavy traffic) preclude such rapid delivery to the nearest appropriate facility; or (2) the patient is inaccessible by ground or water vehicle.*

4. ***Basic Life Support*** *(BLS) - Transportation by ground ambulance vehicle and medically necessary supplies and services, plus the provision of BLS ambulance services. The ambulance must be staffed by an individual who is qualified in accordance with State and local laws as an emergency medical technician-basic (EMT-Basic).*

5. ***Paramedic ALS Intercept Services*** *(PI) - Per 42CFR §414.605, EMT-Paramedic services furnished by an entity that does not furnish the ground transport, provided that the services meet the requirements in 42CFR §410.40(c). PI typically involves an arrangement between a BLS ambulance supplier and an ALS ambulance supplier, whereby the latter provides the ALS services and the BLS supplier provides the transportation component. Per 42CFR §410.40(c), PI must meet the following requirements:*

    - *Be furnished in an area that is designated as a rural area;*
    - *Be furnished under contract with one or more volunteer ambulance services that meet the following conditions:*
        - *Are certified to furnish ambulance services as required under 42CFR §410.41.*
        - *Furnish services only at the BLS level.*
        - *Be prohibited by State law from billing for any service.*
    - *Be furnished by a paramedic ALS intercept supplier that meets the following conditions:*
        - *Is certified to furnish ALS services as required in 42CFR §410.41(b)(2).*
        - *Bills of all the recipients who receive ALS intercept services from the entity, regardless of whether or not those recipients are Medicare beneficiaries.*

6. ***Specialty Care Transport*** *(SCT) - Inter-facility transportation of a critically injured or ill beneficiary by a ground ambulance vehicle, including medically necessary supplies and services, at a level of service beyond the scope of the EMT-Paramedic. SCT is necessary when a beneficiary's condition requires ongoing care that must be furnished by one or more health professionals in an appropriate specialty area (e.g., nursing, emergency medicine, respiratory care, cardiovascular care, or a paramedic with additional training.)*

B. Ambulance Qualifications

1. Vehicle Design and Equipment

As specified in 42CFR §410.41(a), a vehicle used as an ambulance must meet the following requirements:

- *Be specially designed to respond to medical emergencies or provide acute medical care to transport the sick and injured and comply with all State and local laws governing an emergency transportation vehicle.*

- *Be equipped with emergency warning lights and sirens, as required by State or local laws.*

- *Be equipped with telecommunications equipment as required by State or local law to include, at a minimum, one two-way voice radio or wireless telephone.*

- *Be equipped with a stretcher, linens, emergency medical supplies, oxygen equipment, and other lifesaving emergency medical equipment as required by State or local laws.*

2. Vehicle Personnel

Per 42CFR §410.41(b)(1)(i) & (ii), a BLS vehicle must be staffed by at least two people, one of whom must be: (1) certified as an emergency medical technician by the State or local authority where the services are furnished, and (2) legally authorized to operate all lifesaving and life-sustaining equipment on board the vehicle.

An ALS vehicle, in addition to meeting the BLS vehicle staff requirements described in 42CFR §410.41(b)(2), the previous paragraph, must also have one of the two staff members be certified as a paramedic or an emergency medical technician, by the State or local authority where the services are being furnished, to perform one or more ALS services.

C. Ambulance Claims Jurisdiction

Ambulance claims jurisdiction policies are specified in Pub. 100-04, chapter 1, section 10.1.5.3, and Pub. 100-04, chapter 15, section 20.1.2.

D. Completion of the CMS-855B

Pub. 100-02, chapter 10, section 10.1.3 states that, in determining whether the vehicles and personnel of the ambulance supplier meet all of the above requirements, the contractor may accept the supplier's statement (absent information to the contrary) that its vehicles and personnel meet all of the requirements. The contractor shall note that this provision in no ways obviates the need for the supplier to complete and submit to the contractor the CMS-855B enrollment form (including Attachment 1 thereto and all supporting documents), and does not excuse the contractor from having to verify the data on the CMS-855B enrollment form in accordance with the provisions of Pub. 100-08, chapter 10. In other words, the "statement" referred to in section 10.1.3 does not supplant or replace the CMS-855B provider enrollment process.

E. Miscellaneous Information

1. ***Payment Amounts*** *- Per 42CFR §414.610(a), Medicare payment for ambulance services is based on the lesser of the actual charge or the applicable fee schedule amount.*

2. ***Non-Emergency Transport*** *- As stated in 42CFR §410.40(d), non-emergency transportation by ambulance is appropriate if either: (1) the beneficiary is bed-confined, and it is documented that the beneficiary's condition is such that other methods of transportation are contraindicated; or (2) if his or her medical condition, regardless of bed confinement, is such that transportation by ambulance is medically required.*

3. ***Point of Pick-Up*** *- The point of pick-up (POP), which is reported by the 5-digit ZIP Code, determines the basis of payment under the fee schedule. (See Pub. 100-04, chapter 15, section 20.1.5 for more information on the POP.)*

4. ***Destinations*** *- As discussed in 42CFR §410.40(e), Medicare covers the following ambulance transportation:*

    - *From any point of origin to the nearest hospital, CAH, or SNF that is capable of furnishing the required level and type of care for the beneficiary's illness or injury. The hospital or CAH must have available the type of physician or physician specialist needed to treat the beneficiary's condition.*

    - *From a hospital, CAH, or SNF to the beneficiary's home.*

    - *From a SNF to the nearest supplier of medically necessary services not available at the SNF where the beneficiary is a resident, including the return trip.*

    - *For a beneficiary who is receiving renal dialysis for treatment of ESRD, from the beneficiary's home to the nearest facility that furnishes renal dialysis, including the return trip.*

    Per Pub. 100-02, chapter 10, section 10.3.8, ambulance service to a physician's office is covered only if: (1) transport is en route to a Medicare-covered destination, as described in Pub. 100-02, chapter 10, section 10.3; and (2) during the transport, the ambulance stops at a physician's office because of the patient's dire need for professional attention, and immediately thereafter, the ambulance continues to the covered destination.

    (See Pub. 100-02, chapter 10, section 10.3.2 for information on "institution-to-institution" ambulance services; as stated therein, there may be instances where the institution to which the patient is initially taken is found to have inadequate or unavailable facilities to provide the required care, and the patient is then transported to a second institution having appropriate facilities. Also see Pub. 100-02, chapter 10, section 10.4.4, for information on hospital-to-hospital air ambulance transport; the air transport of a patient from one hospital to another may be covered if the medical appropriateness criteria are met - that is, transportation by ground

ambulance would endanger the beneficiary's health and the transferring hospital does not have adequate facilities to provide the medical services needed by the patient.)

5. ***Local*** *- Per Pub. 100-02, chapter 10, section 10.3, as a general rule, only local transportation by ambulance is covered, and therefore, only mileage to the nearest appropriate facility equipped to treat the patient is covered.*

6. ***Part A*** *- For information on the Part A intermediary's processing of claims for ambulance services furnished under arrangements by participating hospitals, SNFs, and HHAs, see Pub. 100-02, chapter 10, section 10.1.4.*

7. ***Air Ambulance and Acute Care Hospitals*** *- As stated in Pub. 100-02, chapter 10, section 10.4.5, air ambulance services are not covered for transport to a facility that is not an acute care hospital, such as a nursing facility, physician's office, or a beneficiary's home.*

For additional information on ambulance services, refer to:

- *Section 1834(l) of the Social Security Act*
- *42CFR410.40, 410.41, and 414.605.*
- *Pub. 100-02, chapter 10*
- *Pub. 100-04, chapter 15*
- *Section 4.18 of this manual.*

21.3 - Special Situations Concerning Accreditation and Enrollment

(Rev.261, Issued: 06-27-08, Effective: 07-01-08, Implementation: 07-28-08)

1. *A change of ownership application for an existing supplier location submitted by a new owner company with a new tax identification number (TIN) shall be rejected (consistent with 42CFR §424.525) if the new owner does not have an accreditation that covers all of its locations. If the old owner does have such an accreditation, the new owner could be enrolled as of the date of sale if the accreditor determines that the accreditation should remain in effect as of the date of sale. (This, however, is only applicable when the new owner also meets all other enrollment criteria found at 42CFR §424.57). If the new owner submits an application <u>without</u> evidence that the accreditation is still in effect for the new owner, the application should be rejected.*

2. *Some ownership changes do not result in a complete change of ownership, since the business entity remains the same with no change in TIN. However, in cases where more than 5 percent of the ownership has changed, the following principles apply:*

- *If the change in ownership has not been reported to the NSC within the required 30-day period, the NSC shall proceed with revocation action.*

- *If the change has been received within the required 30-day period and the supplier has been accredited, the NSC shall immediately notify the accreditor of the ownership change and request that the latter advise the NSC if the accreditation should still remain in effect.*

3. *A DMEPOS supplier requesting reactivation after a deactivation for non-billing shall be required to be accredited on or after March 1, 2008.*

4. *A revoked DMEPOS supplier that has submitted an acceptable corrective action plan can be reinstated without accreditation unless the accreditation was already required prior to revocation.*

5. *A DMEPOS supplier that has been deactivated for failing to respond to a reenrollment request shall obtain accreditation if the reenrollment occurs after February 29, 2008.*

6. *DMEPOS suppliers with 25 or more enrolled locations prior to March 1, 2008, may enroll additional locations without accreditation until September 30, 2009.*