# CMS Manual System

## Pub. 100-04 Medicare Claims Processing

**Department of Health & Human Services (DHHS)**
**Centers for Medicare & Medicaid Services (CMS)**

**Transmittal 439** **Date: JANUARY 21, 2005**

**CHANGE REQUEST 3564**

**SUBJECT: Modification to the Fiscal Intermediary Standard System (FISS) Regarding Ambulance Services Billed on 18x and 21x Types of Bill (TOBs)**

**I. SUMMARY OF CHANGES:** This instruction modifies the FISS system to not allow ambulance services, reported under revenue code 054x, to be billed on 18x and 21x TOBs.

**NEW/REVISED MATERIAL - EFFECTIVE DATE*: July 1, 2005**
**IMPLEMENTATION DATE: July 5, 2005**

***Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. 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 not updated.*)**
**(R = REVISED, N = NEW, D = DELETED)**

| R/N/D | CHAPTER/SECTION/SUBSECTION/TITLE |
|---|---|
| N/A | |
| | |
| | |

**III. FUNDING: No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2005 operating budgets.**

**IV. ATTACHMENTS:**

| | |
|---|---|
| | **Business Requirements** |
| | **Manual Instruction** |
| | **Confidential Requirements** |
| X | **One-Time Notification** |
| | **Recurring Update Notification** |

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

# Attachment – One Time Notification

| Pub. 100-04 | Transmittal: 439 | Date: January 21, 2005 | Change Request: 3564 |
|---|---|---|---|

**SUBJECT: Modification to the Fiscal Intermediary Standard System (FISS) Regarding Ambulance Services Billed on 18x and 21x Type of Bills (TOBs)**

## I. GENERAL INFORMATION

**A. Background:** Claims submitted to Medicare can only be paid through one Medicare trust fund, meaning every service on each claim must be paid through the single applicable trust fund for that claim. This can be particularly confusing for institutional claims processed by Fiscal Intermediaries (FIs), since FIs process claims paid under both the Part A and B trust funds. However, the TOB field is mandatory on all institutional claims, and FI claims processing systems are automated to assure each TOB is paid exclusively through a single trust fund.

Currently, Medicare recognizes one TOB for swing bed (SB) services: 18x, and three TOBs for the skilled nursing facility (SNF) benefit or nursing facility (NF)/outpatient SNF care: 21x, 22x and 23x (the "x" represents a third digit that can vary). TOBs 18x and 21x are only paid under the Part A trust fund.

Ambulance services, billed on applicable institutional claims with line items containing revenue code 054x, are always funded through the Medicare Part B trust fund. It was discovered that ambulance services billed on 18x or 21x TOBs have caused charges to be posted to the Provider Statistical and Reimbursement (PS&R) report incorrectly.

In order to correct this issue, this instruction shall modify FISS logic to not allow ambulance services, reported under revenue code 054x, to be billed on 18x and 21x TOBs. In order to account for the costs of the consolidated ambulance transport on 18x or 21x TOBs, SNF/SB providers should include the cost of the transport under the appropriate ancillary revenue center of the service performed.

The CMS performed data analysis on ambulance charges billed on 18x and 21x TOBs. The results of the analysis showed a very limited amount of ambulance charges being billed on inpatient SNF/SB claims by a small number of providers nationally.

This instruction supersedes CMS Transmittal A-02-085, a program memorandum published September 11, 2002 and effective January 1, 2003, stating ambulance services could be billed on TOBs 18x and 21x.

Previously processed claims with revenue code 054x on TOBs 18x or 21x do not have to be reprocessed, since no error in claims payment was made.

**B. Policy:** Section 1883 of the Social Security Act describes swing beds, and says that payment is to be made on a per-diem basis as in Section 1888 of the Act, with an exception to this payment method for critical access hospital-based facilities (which are paid on a cost basis). Section 1888 of the Act authorizes prospective payment for SNF services as defined in section 1861(i). Section 1861(i) defines extended care relative to SNFs. Section 1812 states hospital and extended care are in the scope of services paid under the Hospital Insurance program (Part A). Section 1861(s) lists ambulance services as part of medical and other health services. Section 1832(a) specifies medical and other health services are provided under the Supplementary Medical Insurance program (Part B).

**C. Provider Education:** A Medlearn Matters provider education article related to this instruction will be available at www.cms.hhs.gov/medlearn/matters shortly after the CR is released. You will receive notification of the article release via the established "medlearn matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the provider education article must be included in your next regularly scheduled bulletin. Contractors are free to supplement Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.

## II. BUSINESS REQUIREMENTS

*"Shall" denotes a mandatory requirement*
*"Should" denotes an optional requirement*

| Requirement Number | Requirements | Responsibility (place an "X" in the columns that apply) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Shared System Maintainers | | | | Other |
| | | FI | RHHI | Carrier | DMERC | FISS | MCS | VMS | CWF | |
| 3564.1 | Medicare systems shall not allow revenue code 054x to be reported on 18x or 21x types of bill. | | | | | X | | | | |

## III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

### A. Other Instructions: N/A

| X-Ref Requirement # | Instructions |
|---|---|
| | |

**B. Design Considerations: N/A**

| X-Ref Requirement # | Recommendation for Medicare System Requirements |
|---|---|
| | |

**C. Interfaces: N/A**

**D. Contractor Financial Reporting /Workload Impact: N/A**

**E. Dependencies: N/A**

**F. Testing Considerations: N/A**

## IV. SCHEDULE, CONTACTS, AND FUNDING

| | |
|---|---|
| **Effective Date*:** July 1, 2005<br><br>**Implementation Date:** July 5, 2005<br><br>**Pre-Implementation Contact(s):** Jason Kerr, 410-786-2123 (Jkerr3@cms.hhs.gov)**;** Yvonne Young, (410) 786-1886 (Yyoung@cms.hhs.gov);<br><br>**Post-Implementation Contact(s):** Regional Office | **No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2005 operating budgets.** |

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