



Related MLN Matters Article #: MM4061

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Ambulance Inflation Factor for CY 2006

Key Words

MM4061, CR4061, ambulance, inflation, CY 2006, AIF

Provider Types Affected

Providers and suppliers of ambulance services billing Medicare carriers and fiscal intermediaries (FIs) for those services

Key Points

- The effective date of the instruction is January 1, 2006.
- The implementation date is January 3, 2006.
- The Ambulance Inflation Factor (AIF) for Calendar Year (CY) 2006 is 2.5 percent.
- The Ambulance Inflation Factor (AIF) updates payments annually and is equal to the percentage increase in the consumer price index for all urban consumers (CPI-U) for the 12-month period ending with June of the previous year.
- As of January 1, 2006, the total payment amount for ground ambulance providers and suppliers will be based on either 100 percent of the national ambulance fee schedule, or 60 percent of the national ambulance fee schedule added to 40 percent of the regional ambulance fee schedule.
- The total payment amount for air ambulance providers and suppliers will be based on 100 percent of the national ambulance fee schedule.
- Either the national fee schedule or regional fee schedule applies for all providers and suppliers in the census division, depending on the payment amount that the regional methodology yields:
 - The national fee schedule amount applies when the regional fee schedule methodology results in an amount (for a given census division) that is lower than the national ground base rate.
 - The regional fee schedule applies when its methodology results in an amount (for the census division) that is greater than the national ground base rate.

- When the regional fee schedule is used, that census division's fee schedule portion of the base rate is equal to a blend of the national rate and the regional rate. For CY 2006, this blend will be 40 percent regional ground base rate and 60 percent national ground base rate.
- Part B coinsurance and deductible requirements apply.

Important Links

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM4061.pdf>

More information about the CY 2006 Ambulance Inflation Factor is available at <http://www.cms.hhs.gov/transmittals/downloads/R762CP.pdf> on the CMS website.

Also useful is the *Medicare Claims Processing Manual*, 100.04, Chapter 15, Section 20.6 (Update Charges), Subsection 20.6.1 (Ambulance Inflation Factor – AIF), which is included as an attachment to CR4061.