



Provider Inquiry Assistance

Extension for the Two Percent and Three Percent Add-On for the Ground Ambulance, Air Ambulance in Rural Areas and "Super Rural" Add-on through December 31, 2010 – JA6972

Related CR Release Date: May 21, 2010

Date Job Aid Revised: June 2, 2010

Effective Date: January 1, 2010

Implementation Date: July 6, 2010

Key Words MM6972, CR6972, R706OTN, Air, Ambulance

Contractors Affected

- Fiscal Intermediaries (FIs)
- Part A/B Medicare Administrative Contractors (A/B MACs)
- Medicare Carriers

Provider Types Affected Ambulance providers submitting claims to FIs, Carriers and A/B MACs for ambulance services provided to Medicare beneficiaries are affected.



Change Request (CR) 6972 instructs Medicare contractors to adjust the ambulance fee schedule amounts for ground and air ambulance services for claims with dates of service on or after January 1, 2010, through December 31, 2010.

Provider Needs to Know...

- Sections 3105(a) and 10311(a) of the Patient Protection and Affordable Care Act of 2010 (PPACA) extend the increase in the ambulance fee schedule amounts for covered ground ambulance transports, **which originated in rural areas, by three percent** and for covered ground ambulance transports, **which originated in urban areas, by two percent** for dates of service on or after January 1, 2010, and before January 1, 2011.
 - Any area that was designated as a rural area as of December 31, 2006, for purposes of making payments under the ambulance fee schedule for air ambulance services, should be treated as a rural area for purposes of making payments under the ambulance fee schedule for air ambulance services furnished during the period beginning January 1, 2010, and ending on December 31, 2010.
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Background

- The Medicare Modernization Act of 2003 amended the Social Security Act with Section 1834(l) (13) (A). This section provided increases in payment rates for covered ground ambulance transports which originated in a rural area in the amount of two (2) percent, and for covered ground ambulance transports which originated in a non-rural area by one (1) percent.
 - This provision was effective for the period July 1, 2004, to January 1, 2007.
 - Section 146(a) of Medicare Improvements for Patients and Providers Act of 2008 (MIPAA) provided for an increase in the ambulance fee schedule amounts for covered ground ambulance transports which originated in rural areas by three percent and for covered ground ambulance transports which originated in urban areas by two percent.
 - These increases were only applicable for claims with dates of service July 1, 2008, through December 31, 2009. However, PPACA reinstated these provisions on or after January 1, 2010, and before January 1, 2011.
 - Further, Section 146(b) (1) of MIPAA amended the designation of rural areas for air ambulance services.
 - The statute specified that any area that was designated as a rural area as of December 31, 2006, for purposes of making payments under the ambulance fee schedule for air ambulance services should continue to be treated as a rural area for purposes of making air ambulance service payments under the ambulance fee schedule.
 - This statute was also applicable for claims with dates of service July 1, 2008, through December 31, 2009. However, Sections 3105(b) and 10311(b) of the PPACA further amends Section 146(b) (1) of MIPAA to reinstate these provisions for claims with dates of service on or after January 1, 2010, and ending December 31, 2010.
 - Accordingly, for areas that were designated rural on December 31, 2006, and were subsequently re-designated as urban, the Centers for Medicare & Medicaid Services (CMS) has re-established the "rural" indicator on the ZIP code file for air ambulance services, effective January 1, 2010.
 - In addition, Section 414 of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA) specified that, for services furnished during the period July 1, 2004, through December 31, 2009, the payment amount for the ground ambulance base rate was increased where the ambulance transport originated in a rural area, including those areas comprising the lowest 25th percentile of all rural populations arrayed by population density.
 - For this purpose, rural areas included Goldsmith areas (a type of rural census tract). Approximately half of all rural areas (rural counties plus Goldsmith areas) were required to include 25 percent of the rural population arrayed in order of population density.
 - The amount of this increase was based on the Department of Health and Human Services Secretary's estimate of the ratio of the average cost per trip for the rural areas comprised of the lowest quartile of population arrayed by density compared to the average cost per trip for the rural areas comprised of the highest quartile of population arrayed by density.
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- CMS determined that the amount of this increase was equal to 22.6 percent.
- Sections 3105(c) and 10311(c) of ACA further amend Section 1834(l) (12) (A) of the Social Security Act to reinstate this provision for claims with dates of service on or after January 1, 2010, and before January 1, 2011, using the percentage increase that was applicable under this provision to ambulance services during 2009.

Operational
Impact N/A

Reference
Materials The related MLN Matters® article can be found at
<http://www.cms.gov/MLN MattersArticles/downloads/MM6972.pdf> on the CMS website.
 The official instruction (CR6972) regarding this change may be viewed at
<http://www.cms.gov/Transmittals/downloads/R706OTN.pdf> on the CMS website.