

**Subpart H—Fee Schedule for Ambulance Services**

[67 FR 9132, Feb. 27, 2002]

**§ 414.601 Purpose.**

This subpart implements section 1834(1) of the Act by establishing a fee schedule for the payment of ambulance services. Section 1834(1) of the Act requires that, except for services furnished by certain critical access hospitals (see § 413.70(b)(5) of this chapter), payment for all ambulance services, otherwise previously payable on a reasonable charge basis or retrospective reasonable cost basis, be made under a fee schedule.

**§ 414.605 Definitions.**

As used in this subpart, the following definitions apply to both land and water (hereafter collectively referred to as “ground”) ambulance services and to air ambulance services unless otherwise specified:

*Advanced life support (ALS) assessment* is an assessment performed by an ALS crew as part of an emergency response that was necessary because the patient’s reported condition at the time of dispatch was such that only an ALS crew was qualified to perform the assessment. An ALS assessment does not necessarily result in a determination that the patient requires an ALS level of service.

*Advanced life support (ALS) intervention* means a procedure that is, in accordance with State and local laws, beyond the scope of authority of an emergency medical technician-basic (EMT-Basic).

*Advanced life support, level 1 (ALS1)* means 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.

*Advanced life support, level 2 (ALS2)* means 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 following ALS procedures:

- (1) Manual defibrillation/cardioversion.
- (2) Endotracheal intubation.
- (3) Central venous line.
- (4) Cardiac pacing.
- (5) Chest decompression.
- (6) Surgical airway.
- (7) Intraosseous line.

*Advanced life support (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. The EMT-Paramedic is defined as possessing the qualifications of the EMT-Intermediate and also, in accordance with State and local laws, as having enhanced skills that include being able to administer additional interventions and medications.

*Basic life support (BLS)* means 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). These laws may vary from State to State. For example, only in some States is an EMT-Basic permitted to operate limited equipment on board the vehicle, assist more qualified personnel in performing assessments and interventions, and establish a peripheral intravenous (IV) line.

*Conversion factor (CF)* is the dollar amount established by CMS that is multiplied by relative value units to produce ground ambulance service base rates.

*Emergency response* means responding immediately at the BLS or ALS1 level of service to a 911 call or the equivalent in areas without a 911 call system. An

immediate response is one in which the ambulance supplier begins as quickly as possible to take the steps necessary to respond to the call.

*Fixed wing air ambulance (FW)* means transportation by a fixed wing aircraft that is certified as a fixed wing air ambulance and such services and supplies as may be medically necessary.

*Geographic adjustment factor (GAF)* means the practice expense (PE) portion of the geographic practice cost index (GPCI) from the physician fee schedule as applied to a percentage of the base rate. For ground ambulance services, the PE portion of the GPCI is applied to 70 percent of the base rate for each level of service. For air ambulance services, the PE portion of the GPCI is applied to 50 percent of the applicable base rate.

*Goldsmith modification* means the recognition of rural areas within certain Standard Metropolitan Statistical Areas wherein a census tract is deemed to be rural when located within a large metropolitan county of at least 1,225 square miles, but is so isolated from the metropolitan core of that county by distance or physical features as to be more rural than urban in character.

*Loaded mileage* means the number of miles the Medicare beneficiary is transported in the ambulance vehicle.

*Paramedic ALS intercept (PI)* means EMT-Paramedic services furnished by an entity that does not furnish the ground ambulance transport, provided the services meet the requirements specified in §410.40(c) of this chapter.

*Point of pick-up* means the location of the beneficiary at the time he or she is placed on board the ambulance.

*Relative value units (RVUs)* means a value assigned to a ground ambulance service.

*Rotary wing air ambulance (RW)* means transportation by a helicopter that is certified as an ambulance and such services and supplies as may be medically necessary.

*Rural adjustment factor (RAF)* means an adjustment applied to the base payment rate when the point of pick-up is located in a rural area.

*Rural area* means an area located outside a Metropolitan Statistical Area (MSA), or a New England County Metropolitan Area (NECMA), or an area

within an MSA that is identified as rural by the Goldsmith modification.

*Specialty care transport (SCT)* means interfacility 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, for example, nursing, emergency medicine, respiratory care, cardiovascular care, or a paramedic with additional training.

#### §414.610 Basis of payment.

(a) *Method of payment.* Medicare payment for ambulance services is based on the lesser of the actual charge or the applicable fee schedule amount. The fee schedule payment for ambulance services equals a base rate for the level of service plus payment for mileage and applicable adjustment factors. Except for services furnished by certain critical access hospitals or entities owned and operated by them, as described in §413.70(b) of this chapter, all ambulance services are paid under the fee schedule specified in this subpart (regardless of the vehicle furnishing the service).

(b) *Mandatory assignment.* Effective with implementation of the ambulance fee schedule described in §414.601 (that is, for services furnished on or after April 1, 2002), all payments made for ambulance services are made only on an assignment-related basis. Ambulance suppliers must accept the Medicare allowed charge as payment in full and may not bill or collect from the beneficiary any amount other than the unmet Part B deductible and Part B coinsurance amounts. Violations of this requirement may subject the provider or supplier to sanctions, as provided by law (part 402 of this chapter).

(c) *Formula for computation of payment amounts.* The fee schedule payment amount for ambulance services is computed according to the following provisions:

(1) *Ground ambulance service levels.* The CF is multiplied by the applicable RVUs for each level of service to