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Implementation Date: April 4, 2005

MMA - Payment of Ambulance Services to Indian Health Service (IHS)/Tribal Hospitals

Note: This article was revised to contain Web addresses that conform to the new CMS web site and to show they are now MLN Matters articles. All other information remains the same.

Provider Types Affected

Indian Health Service (IHS) and Tribal Hospitals, including Critical Access Hospitals, which manage and operate hospital-based ambulance services

Provider Action Needed

This article advises affected hospitals that Section 630 of the Medicare Modernization Act (MMA) allows reimbursement for ambulance services provided by IHS/Tribal Hospitals, including Critical Access Hospitals (CAHs) that manage and operate hospital-based ambulances.

Background

Effective January 1, 2005, Section 630 of the Medicare Modernization Act (MMA) allows for reimbursement of ambulance services provided by IHS/Tribal, including CAHs that manage and operate hospital-based ambulances.

This instruction advises Medicare Fiscal Intermediaries (FIs) that claims for ambulance services from IHS/Tribal hospitals, including CAH based ambulance services, submitted by IHS and Tribal Organizations will be processed by the IHS/Tribal selected FI.

Ambulance services originating from IHS/ Tribal hospitals, including CAHs that are hospital-based ambulance services, will be paid according to the appropriate payment methodology. For IHS/Tribal hospital-based ambulance services, the appropriate payment is 100 percent of the Federal rate of the ambulance fee schedule.

For IHS/Tribal CAH based ambulance services, the appropriate payment methodology is cost-based and payment is at 100 percent of the reasonable cost for CAH based ambulance services so long as the CAH meets the 35-mile requirement for reasonable costs. In such instances where the 35-mile rule is not met,

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payment will be based on a blend of 20 percent cost and 80 percent ambulance fee schedule in 2005 and 100 percent of that fee schedule beginning in 2006.

IHS/Tribal hospitals should bill their hospital based ambulance services on a 13X type of bill with a revenue code of 054X and without revenue code 051X, while IHS/Tribal CAH facilities with a hospital based ambulance service should bill using the 85X or 12X type of bill, revenue code 054X, without revenue code 051X, and condition code B2. Medicare FIs will also apply appropriate deductible and coinsurance amounts when processing these claims.

Also, when an outpatient visit occurs in conjunction with the ambulance service, Medicare will accept claims with revenue codes 051X and 054X and will pay the all inclusive rate to the IHS/Tribal hospital or CAH.

Implementation

The implementation date for this instruction is April 4, 2005. Because of the April implementation date for Medicare system changes, any claims received for these services before April 4 will be held by your intermediary until the system changes are made and the claims may be correctly processed.

Additional Information

The Medicare Claims Processing Manual (Pub. 100-04), Chapter 15, has been revised to reflect these changes. The updated manual instructions are attached to the official instruction released to your intermediary. You may view that instruction at <http://www.cms.hhs.gov/Transmittals/downloads/R425CP.pdf> on the CMS web site.

If you have any questions, please contact your intermediary at their toll-free number, which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> site.

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