

Related Change Request (CR) #: 3599

Medlearn Matters Number: MM3599

Related CR Release Date: December 23, 2004

Related CR Transmittal #: 411

Effective Date: January 1, 2005

Implementation Date: January 3, 2005

Ambulance Inflation Factor

Provider Types Affected

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

Provider Action Needed

None. This article is for your information only. It provides the Ambulance Inflation Factor (AIF) for CY 2005.

Background

Section 1834(l)(3)(B) of the Social Security Act (SSA) provides the basis for updating the payment limits that your contractors use to determine how much to pay you for claims that you submit for ambulance services. This update, the AIF, 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. The Centers for Medicare & Medicaid Services (CMS) is required to issue this AIF so that your contractors can pay your Medicare ambulance claims accurately and in accordance with statutory requirements. **The AIF for calendar year 2005 is 3.3 percent.**

Remember that during the 5-year transition period to the ambulance fee schedule, payments are based on a blended methodology. In the blend, the AIF is applied, separately, to both the fee schedule portion (incorporated in the ambulance fee schedule file) and the reasonable charge/cost portions of the blended payment amount. Then, these two amounts are added together to determine your total payment.

For CY 2005, the blending percentages used to combine these two components of the payment amounts for ambulance services are 80 percent of the ambulance fee schedule and 20 percent of the reasonable charge/cost. Remember also that Part B coinsurance and deductible requirements apply to these claims.

Additional Information

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You can find more information about the AIF by going to:

http://www.cms.hhs.gov/manuals/pm_trans/R411CP.pdf

If you have any questions, please contact your carrier/intermediary at their toll-free number, which may be found at:

<http://www.cms.hhs.gov/medlearn/tollnums.asp>

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