DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

News Flash – NEW product(s) from the Medicare Learning Network® (MLN)

- "Medicare Ambulance Services", Booklet, ICN 903194, Downloadable and Hard Copy

To access a new or revised product available for order in hard copy format, go to http://www.cms.gov/MLNProducts and click on 'MLN Product Ordering Page' under 'Related Links Inside CMS' at the bottom of the web page.

MLN Matters® Number: MM7546

Related CR Release Date: September 23, 2011

Related CR Transmittal #: R2310CP

Related Change Request (CR) #: CR 7546

Effective Date: January 1, 2012

Implementation Date: January 3, 2012

Ambulance Inflation Factor for Calendar Year (CY) 2012

Provider Types Affected

This article is for providers and suppliers of ambulance services who bill Medicare Carriers, Fiscal Intermediaries (FIs), or Part A/B Medicare Administrative Contractors (A/B MACs) for those services.

What You Need to Know

Change Request (CR) 7546, from which this article is taken, updates the Medicare Claims Processing Manual by providing the AIF for CY 2012 so that Medicare Carriers, FIs, and A/B MACs can accurately determine the payment amounts for ambulance services. The ambulance inflation factor (AIF) for CY 2012 is 2.4 percent. You should ensure that your billing staffs are aware of this 2012 AIF.

Background

Section 1834(l) (3) (B) of the Social Security Act (the Act) provides the basis for updating the payment limits that carriers, FIs, and A/B MACs use to pay for the claims that you submit for ambulance services. Specifically, this section of the Act provides

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for a yearly payment update that is equal to the percentage increase in the urban consumer price index (CPI-U), for the 12-month period ending with June of the prior year.

On March 23, 2010, Section 3401 of the Affordable Care Act amended Section 1834(l)(3) of the Act to require that specific Prospective Payment System and Fee Schedule update factors be adjusted by changes in economy-wide productivity. The statute defines the productivity adjustment to be equal to the 10-year moving average of changes in annual economy-wide private nonfarm business multi-factor productivity (MFP) (as projected by the Secretary for the 10-year period ending with the applicable fiscal year, cost reporting period, or other annual period). The MFP for CY 2012 is 1.2 percent and the CPI-U for 2012 is 3.6 percent. According to the Affordable Care Act, the CPI-U is reduced by the MFP, even if this reduction results in a negative AIF update. Therefore, the AIF for CY 2012 is 2.4 percent.

Note: The Part B coinsurance and deductible requirements apply to payments under the ambulance fee schedule.

Additional Information

You can find the official instruction, CR7546, issued to your carrier, FI, or A/B MAC by visiting http://www.cms.gov/Transmittals/downloads/R2310CP.pdf on the CMS website. You will find the updated "Medicare Claims Processing Manual" Chapter 15 (Ambulance), Section 20.4 (Ambulance Inflation Factor (AIF)) as an attachment to that CR.

If you have any questions, please contact your carrier, FI, or A/B MAC at their toll-free number, which may be found at http://www.cms.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip on the CMS website.

News Flash – Vaccinate Early to Protect Against the Flu. The Centers for Disease Control and Prevention (CDC) recommends a yearly flu vaccination as the first and most important step in protecting against flu viruses. Remind your patients that annual vaccination is recommended for optimal protection. Medicare pays for the flu vaccine and its administration for seniors and other Medicare beneficiaries with no co-pay or deductible. Take advantage of each office visit and start protecting your patients as soon as your 2011-2012 seasonal flu vaccine arrives. And, don't forget to immunize yourself and your staff. Get the Flu Vaccination -- Not the Flu. Remember – Influenza vaccine plus its administration are covered Part B benefits. Note that influenza vaccine is NOT a Part D covered drug. For information about Medicare's coverage of the influenza vaccine and its administration, as well as related educational resources for health care professionals and their staff, please visit http://www.cms.gov/MLNProducts/35_PreventiveServices.asp on the Centers for Medicare & Medicaid Services (CMS) website.

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