

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Centers for Medicare & Medicaid Services



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- [“HIPAA EDI Standards”](#), Web-based Training (WBT)

MLN Matters® Number: MM9412

Related Change Request (CR) #: CR 9412

Related CR Release Date: October 23, 2015

Effective Date: January 1, 2016

Related CR Transmittal #: R3380CP

Implementation Date: January 4, 2016

## Ambulance Inflation Factor for CY 2016 and Productivity Adjustment

### Provider Types Affected

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This MLN Matters® Article is intended for physicians, other providers, and suppliers submitting claims to Medicare Administrative Contractors (MACs) for ambulance services provided to Medicare beneficiaries.

### Provider Action Needed

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CR 9412 furnishes the CY 2016 ambulance inflation factor (AIF) for determining the payment limit for ambulance services. Make sure that your billing staffs are aware of the change.

### Background

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CR 9412 furnishes the CY 2016 ambulance inflation factor (AIF) for determining the payment limit for ambulance services required by Section 1834(1)(3)(B) of the Social Security Act (the Act). It also clarifies the “Medicare Claims Processing Manual”, Chapter 15 (Ambulance), Section 20.3 (Air Ambulance) and updates Section 20.4 (Ambulance Inflation Factor (AIF)). You will find these updated Manual chapters as an attachment to this CR.

#### Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2014 American Medical Association. All rights reserved.

Section 1834(l)(3)(B) of the Act provides the basis for an update to the payment limits for ambulance services that 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. Section 3401 of the Affordable Care Act amended Section 1834(l)(3) of the Act to apply a productivity adjustment to this update equal to the 10-year moving average of changes in economy-wide private nonfarm business multi-factor productivity beginning January 1, 2011. The resulting update percentage is referred to as the AIF.

Section 3401 of the Affordable Care Act requires that specific Prospective Payment System (PPS) and Fee Schedule (FS) 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 of Health and Human Services for the 10-year period ending with the applicable fiscal year, cost reporting period, or other annual period).

The MFP for calendar year (CY) 2016 is 0.5 percent and the CPI-U for 2016 is 0.1 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 2016 is -0.4 percent.

Part B coinsurance and deductible requirements apply to payments under the ambulance fee schedule. The 2016 ambulance fee schedule file is available in November 2015. It may be retrieved at any time and will reside indefinitely for your access. It may be updated with each quarterly Common Working File (CWF) update.

## Additional Information

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The official instruction, CR 9412, issued to your MAC regarding this change, is available at <http://www.cms.hhs.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3380CP.pdf> on the CMS website.

If you have any questions, please contact your MAC at their toll-free number. That number is available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/index.html> under - How Does It Work.

### **Each Office Visit is an Opportunity to Recommend Influenza Vaccination.**

Protect your patients, your staff, and yourself. Medicare Part B covers one influenza vaccination and its administration each influenza season for Medicare beneficiaries. If medically necessary, Medicare may cover additional seasonal influenza vaccinations.

- [Preventive Services](#) Educational Tool
- [Influenza Vaccine Payment Allowances](#) MLN Matters Article
- [Influenza Resources for Health Care Professionals](#) MLN Matters Article
- [CDC Influenza](#) website

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