

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



MLN Matters® Number: MM9811

Related Change Request (CR) #: CR 9811

Related CR Release Date: October 14, 2016

Effective Date: January 1, 2017

Related CR Transmittal #: R3625CP

Implementation Date: January 3, 2017

Ambulance Inflation Factor for CY 2017 and Productivity Adjustment

Provider Types Affected

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

Provider Action Needed

Change Request (CR) 9811 furnishes the Calendar Year (CY) 2017 Ambulance Inflation Factor (AIF) for determining the payment limit for ambulance services. Make sure that your billing staffs are aware of the change.

Background

CR9811 furnishes the CY 2017 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).

Section 1834(1)(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(1)(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

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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 (the Secretary) for the 10-year period ending with the applicable fiscal year, cost reporting period, or other annual period).

The MFP for CY 2017 is 0.3 percent and the CPI-U for 2017 is 1.0 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 2017 is 0.7 percent.

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

Additional Information

The official instruction, CR9811, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3625CP.pdf>.

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>.

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