



**News Flash** – As a result of the Affordable Care Act (ACA), claims with dates of service on or after January 1, 2010, received later than one calendar year beyond the date of service will be denied by Medicare. For full details, see the MLN Matters® article, MM6960, at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM6960.pdf> on the Centers for Medicare & Medicaid Services website.

MLN Matters® Number: MM6972 **Revised**

Related Change Request (CR) #: 6972

Related CR Release Date: May 21, 2010

Effective Date: January 1, 2010

Related CR Transmittal #: R706OTN

Implementation Date: July 6, 2010

## **Extension for the Two Percent and Three Percent Add-On for the Ground Ambulance, Air Ambulance in Rural Areas and "Super Rural" Add-On through December 31, 2010**

**Note:** This article was updated on December 6, 2012, to reflect current Web addresses. This article was previously revised on November 8, 2011, to add a reference to MLN Matters® article MM7558 (<http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM7558.pdf>) that alerts ambulance suppliers that the Medicare and Medicaid Extension Act of 2010 extends the increase in ambulance fee schedule amounts for covered ground ambulance transports through December 31, 2011. All other information is the same.

### **Provider Types Affected**

Ambulance providers submitting claims to Medicare contractors (Fiscal Intermediaries (FI), carriers and Medicare Administrative Contractors (MAC)) for ambulance services provided to Medicare beneficiaries are affected.

### **Provider Action Needed**

This article is based on Change Request (CR) 6972, which instructs Medicare contractors to adjust the ambulance fee schedule amounts for ground and air ambulance services for claims with dates of service on or after January 1, 2010, through December 31, 2010.

#### **Disclaimer**

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Any area that was designated as a rural area as of December 31, 2006, for purposes of making payments under the ambulance fee schedule for air ambulance services, should be treated as a rural area for purposes of making payments under the ambulance fee schedule for air ambulance services furnished during the period beginning January 1, 2010, and ending on December 31, 2010. Please ensure that your staffs are aware of these changes.

## Background

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The Medicare Modernization Act of 2003 amended the Social Security Act with section 1834(l) (13) (A). This section provided increases in payment rates for covered ground ambulance transports which originated in a rural area in the amount of two (2) percent, and for covered ground ambulance transports which originated in a non-rural area by one (1) percent. This provision was effective for the period July 1, 2004 to January 1, 2007.

Section 146(a) of Medicare Improvements for Patients and Providers Act of 2008 (MIPAA) provided for an increase in the ambulance fee schedule amounts for covered ground ambulance transports which originated in rural areas by three percent and for covered ground ambulance transports which originated in urban areas by two percent. These increases were only applicable for claims with dates of service July 1, 2008 through December 31, 2009; however, sections 3105(a) and 10311(a) of the Patient Protection and Affordable Care Act of 2010 (PPACA) reinstate these provisions on or after January 1, 2010 and before January 1, 2011.

Further, section 146(b) (1) of MIPAA amended the designation of rural areas for air ambulance services. The statute specified that any area that was designated as a rural area as of December 31, 2006, for purposes of making payments under the ambulance fee schedule for air ambulance services should continue to be treated as a rural area for purposes of making air ambulance service payments under the ambulance fee schedule. This statute was also applicable for claims with dates of service July 1, 2008 through December 31, 2009; however, sections 3105(b) and 10311(b) of the PPACA further amends section 146(b) (1) of MIPAA to reinstate these provisions for claims with dates of service on or after January 1, 2010 and ending December 31, 2010. Accordingly, for areas that were designated rural on December 31, 2006, and were subsequently re-designated as urban, the Centers for Medicare & Medicaid Services (CMS) has re-established the "rural" indicator on the zip code file for air ambulance services, effective January 1, 2010.

In addition, section 414 of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA) specified that, for services furnished during the period July 1, 2004, through December 31, 2009, the payment amount for the ground ambulance base rate was increased where the ambulance transport originated in a rural area included in those areas comprising the lowest 25<sup>th</sup>

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percentile of all rural populations arrayed by population density. For this purpose, rural areas included Goldsmith areas (a type of rural census tract). Approximately half of all rural areas (rural counties plus Goldsmith areas) were required to include 25 percent of the rural population arrayed in order of population density. The amount of this increase was based on the Department of Health and Human Services Secretary's estimate of the ratio of the average cost per trip for the rural areas comprised of the lowest quartile of population arrayed by density compared to the average cost per trip for the rural areas comprised of the highest quartile of population arrayed by density. CMS determined that the amount of this increase was equal to 22.6 percent. Sections 3105(c) and 10311(c) of ACA further amend section 1834(l) (12) (A) of the Social Security Act to reinstate this provision for claims with dates of service on or after January 1, 2010 and before January 1, 2011, using the percentage increase that was applicable under this provision to ambulance services during 2009.

### Additional Information

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If you have questions, please contact your Medicare contractor at their toll-free number which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

The official instruction issued to your Medicare contractor regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R706OTN.pdf> on the CMS website.

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