



**News Flash** – Section 6409(a) of the Affordable Care Act requires the Secretary of the Department of Health and Human Services, in cooperation with the Inspector General of the Department of Health and Human Services, to establish a Medicare self-referral disclosure protocol (“SRDP”) that sets forth a process to enable providers of services and suppliers to self-disclose actual or potential violations of Section 1877 of the Social Security Act (the Act). The SRDP requires health care providers of services or suppliers to submit all information necessary for CMS, on behalf of the Secretary, to analyze the actual or potential violation of Section 1877 of the Act. Section 6409(b) of the Affordable Care Act, gives the Secretary of HHS the authority to reduce the amount due and owing for violations of Section 1877. The SRDP is located on the CMS website at <http://www.cms.gov/Medicare/Fraud-and-Abuse/PhysicianSelfReferral/index.html> on the CMS website.

MLN Matters® Number: MM7219

Related Change Request (CR): 7219

Related CR Release Date: November 19, 2010

Effective Date: April 1, 2011

Related CR Transmittal #: R2102CP

Implementation Date: April 4, 2011

## **Systems Changes Necessary to Implement “Technical Correction Related to Critical Access Hospital Services,” Section 3128 of the Affordable Care Act, Pub. L. 111-148**

**Note: This article was updated on September 4, 2012, to reflect current Web addresses. All other content remains the same.**

### **Provider Types Affected**

This article is for Critical Access Hospitals (CAHs) paid for outpatient services under the optional method (also referred to as “method II”) and for CAHs and entities owned and operated by CAHs that bill Medicare Administrative Contractors (A/B MACs) or Fiscal Intermediaries (FIs) for ambulance services provided to Medicare beneficiaries.

### **Provider Action Needed**

The article is based on Change Request (CR) 7219 and implements section 3128 of the Affordable Care Act. **Section 3128 increased payment for outpatient**

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facility services for CAHs paid under the optional method from 100 percent of reasonable cost to 101 percent of reasonable cost and increased payment for ambulance services furnished by CAHs or an entity owned and operated by a CAH where there is no other supplier or provider of ambulance services within a 35 mile drive of the CAH or the entity from 100 percent of reasonable cost to 101 percent of reasonable cost, applicable to services furnished on and after January 1, 2004. CR 7219 is effective April 1, 2011. (Although these adjustments apply to services provided on or after January 1, 2004, no prior adjustments are needed to payments as these CAHs were already paid at 101 percent of reasonable cost due to cost reporting instructions.)

## Key Points of CR7219

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- Effective April 1, 2011, Medicare will pay for CAH ambulance services, including Indian Health Service (IHS) CAHs, with a hospital-based ambulance service on type of bill (TOB) 85X with revenue code 054X (ambulance) and condition code B2 (Critical Access Hospital ambulance attestation) based on 101 percent of reasonable cost.
- Effective April 1, 2011, Medicare will pay for CAH outpatient facility services under the optional method based on 101 percent of reasonable cost.
- When the 35 mile rule for cost-based payment is not met, the CAH ambulance service or the ambulance service furnished by the entity that is owned and operated by the CAH is paid based on the ambulance fee schedule.
- When the 35 mile rule for cost-based payment is not met, the IHS/Tribal CAH ambulance service or the ambulance service furnished by the entity that is owned and operated by the IHS/Tribal CAH is paid based on the ambulance fee schedule.

## Additional Information

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If you have questions, please contact your Medicare A/B MAC or FI 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 Centers for Medicare & Medicaid Services (CMS) website.

If you would like to see the Manual changes that detail payment for ambulance services furnished by certain CAHs (*Medicare Claims Processing Manual* Chapter 4 - Part B Hospital (Including Inpatient Hospital Part B and OPSS)) and Indian Health Service/Tribal Billing (*Medicare Claims Processing Manual* Chapter 15 – Ambulance) as well as complete details regarding this CR please see the official

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instruction (CR7219) issued to your Medicare A/B MAC or FI. That instruction may be viewed by going to <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R2102CP.pdf> on the CMS website.

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