

Ambulance Services: Billing for and Informing Medicare Beneficiaries about Noncovered Ambulance Services.

Background: In the last Ambulance Open Door Forum (April 15, 2009), CMS received questions about how to correctly inform beneficiaries of potential liability for ambulance services that Medicare may not cover. The following information is intended to answer these questions.

Technical Denials vs. Reasonable and Necessary Denials:

Technical Denials – For Medicare to cover an ambulance transport, the service must have a statutory benefit category. The Medicare law defines the ambulance service benefit as an “ambulance service where the use of other methods of transportation is contraindicated by the individual's condition.” That is, the patient's medical condition is such that transportation by ambulance is a clinical medical necessity. If there is no such clinical medical necessity, there is no statutory benefit and Medicare will deny coverage for this service as a “technical denial.” The anecdote that gave rise to the question in the Open Door Forum concerned services described as transports provided to patients who simply “need a ride” or “does not have a car” and state law prohibits the ambulance company from refusing a patient's request for transport. In this case, the patient's medical condition is such that transport by a non-ambulance vehicle is not contraindicated and there is no statutory benefit that would allow Medicare to pay for a transport by ambulance. Medicare would provide a technical denial for the ambulance transport.

Reasonable and Necessary Denials – If the patient's medical condition is contraindicated by methods of transport other than an ambulance, there is a statutory benefit for the service. At this point, the particular service provided to the patient must meet the general criteria specified in the statute for Medicare to pay for any item or service with a statutory benefit category. The service must be “reasonable and necessary for the diagnosis or treatment of illness or injury ...” For example, a transport by air ambulance when the transporting entity has a reasonable basis to believe that the transport can be done safely and effectively by ground ambulance transportation may entail a “medical necessity denial” of the “air component” of the service. In this case, transport by ground ambulance is medically necessary but air transport is not. Medicare will deny the transport by air ambulance as not reasonable and necessary.

Informing the Beneficiary of Potential Liability: A Medicare beneficiary can be informed of potential liability for non-covered services through CMS-R-131, the Advanced Beneficiary Notice of Noncoverage (ABN) as long as the patient is not experiencing a medical emergency or otherwise under great duress.

Technical Denials – The revised ABN is not required, but may be used voluntarily for an expected technical denial.

Reasonable and Necessary Denials – The ABN must be given for ambulance services when all of the following conditions are met: (1). The transport is a Medicare-covered ambulance service under the statute (i.e., the individual cannot be safely transported by other means); (2). The provider believes that for the individual on that occasion, the ambulance service may be denied (in part or in full) as “not reasonable and necessary”; and (3). The ambulance service is being provided in a non-emergency situation (i.e., the patient is not under great duress).

Examples: An ambulance provider could deliver a valid ABN if a beneficiary’s condition is stable and he or she could be safely transported by ground, but an air transport is requested by the beneficiary. An ABN could not be validly delivered if conditions 1 and 2 above are met, but the patient is experiencing a medical emergency.

For more information about ABNs, please see Publication 100-04, the Medicare Carriers Manual, Chapter 30, Financial Liability Protections, at the following hyperlink:

<http://www.cms.hhs.gov/manuals/downloads/clm104c30.pdf>