

CMS Manual System

Pub 100-04 Medicare Claims Processing

Transmittal 852

Department of Health &
Human Services (DHHS)

Centers for Medicare &
Medicaid Services (CMS)

Date: FEBRUARY 10, 2006

Change Request 4362

SUBJECT: Ambulance Fee Schedule - CY 2006 Update: Correction to CR 4061

I. SUMMARY OF CHANGES: This CR provides the corrected Ambulance Fee Schedule file for CY 2006 to CMS contractors. The file name has been corrected from the file name that was listed in CR 4061.

NEW/REVISED MATERIAL

EFFECTIVE DATE: January 1, 2006

IMPLEMENTATION DATE: February 24, 2006

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R = REVISED, N = NEW, D = DELETED – *Only One Per Row.*

R/N/D	Chapter / Section / SubSection / Title
R	15/20.6.1/Ambulance Inflation Factor (AIF)

III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2006 operating budgets.

IV. ATTACHMENTS:

Business Requirements

Manual Instruction

**Unless otherwise specified, the effective date is the date of service.*

Attachment - Business Requirements

Pub. 100-04	Transmittal: 852	Date: February 10, 2006	Change Request 4362
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SUBJECT: Ambulance Fee Schedule – CY 2006 Update: Correction to CR 4061

I. GENERAL INFORMATION

A. Background:

This document provides the corrected Ambulance Fee Schedule file for CY 2006 to CMS Contractors. The file name has been corrected from the file name that was listed in CR 4061.

B. Policy:

This transmittal manualizes the revised file name so that Medicare contractors can use it to accurately determine payment amounts for ambulance services.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		F I S S	R H I	C H I E R	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
4362.1	Contractors shall use this corrected file to process CY 2006 ambulance service claims. The address for the corrected file is as follows: MU00.AAA2390.AMBFS.FINAL.V52	X		X						
4362.1.1	Contractors shall use the corrected CY 2006 file for determining the payment limit on claims for ambulance services furnished during CY 2006.	X		X						
4362.1.2	Contractors shall not process ambulance service claims for CY 2006 using the previously available file name provided via CR 4061, but, instead, shall hold claims until the above named corrected file can be downloaded and used.	X		X						

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
F I S S	M C S					V M S	C W F			
4362.2	Contractors shall do mass adjustments to reprocess any CY 2006 ambulance claims that have been paid incorrectly.	X		X						

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
F I S S	M C S					V M S	C W F			
4362.3	A provider education article related to this instruction will be available at www.cms.hhs.gov/medlearn/matters shortly after the CR is released. You will receive notification of the article release via the established "medlearn matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. Contractors are free to supplement Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X		X						

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions:

X-Ref Requirement #	Instructions
	N/A

B. Design Considerations:

X-Ref Requirement #	Recommendation for Medicare System Requirements
	N/A

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

V. SCHEDULE, CONTACTS, AND FUNDING

Effective Date*: January 1, 2006 Implementation Date: February 24, 2006 Pre-Implementation Contact(s): Anne Tayloe, (410)786-4546 Post-Implementation Contact(s): Anne Tayloe, (410)786-4546	Medicare contractors shall implement these instructions within their current FY 2006 operating budgets.
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*Unless otherwise specified, the effective date is the date of service.

Medicare Claims Processing Manual

Chapter 15 - Ambulance

Table of Contents

(Rev. 852, 02-10-06)

20.6.1 – Ambulance Inflation Factor (AIF)

20.6.1 - Ambulance Inflation Factor (AIF)

(Rev. 852, Issued: 02-10-06, Effective: 01-01-06, Implementation: 02-24-06)

Section 1834(l)(3)(B) of the Act provides the basis for updating payment limits for ambulance services. Specifically, this section provides for an update in payments for 2006 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. The resulting percentage is referred to as the AIF.

The national fee schedule for ambulance services has been phased in over a five-year transition period beginning April 1, 2002. The Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA) also established that for ambulance services furnished during the period July 1, 2004 through December 31, 2009, the ground ambulance base rate is subject to a floor amount, which is determined by establishing nine fee schedules based on each of the nine census divisions, and using the same methodology as was used to establish the national fee schedule. If the regional fee schedule methodology for a given census division results in an amount that is lower than the national ground base rate, then it is not used, and the national fee schedule amount applies for all providers and suppliers in the census division. If the regional fee schedule methodology for a given census division results in an amount that is greater than the national ground base rate, then the fee schedule portion of the base rate for that census division is equal to a blend of the national rate and the regional rate. For CY 2006, this blend would be 40 percent regional ground base rate and 60 percent national ground base rate. Prior to January 1, 2006, during the transition period, the AIF was applied to both the fee schedule portion of the blended payment amount (both national and regional (if it applied)) and to the reasonable cost or charge portion of the blended payment amount separately, respectively, for each ambulance provider or supplier. Then, these two amounts were added together to determine the total payment amount for each provider or supplier. As of January 1, 2006, the total payment amount for air ambulance providers and suppliers will be based on 100 percent of the national ambulance fee schedule, while the total payment amount for ground ambulance providers and suppliers will be based on either 100 percent of the national ambulance fee schedule or 60 percent of the national ambulance fee schedule and 40 percent of the regional ambulance fee schedule.

The AIF for calendar year 2006, is **2.5 percent**. Part B coinsurance and deductible requirements apply. The 2006, ambulance fee schedule file may be retrieved at any time and will reside indefinitely for your access. It will be updated with each quarterly Common Working File (CWF) update. The address for the file is as follows:

MU00.@AAA2390.AMBFS.FINAL.V52

Following is a chart tracking the history of the AIF:

<u>AIF</u>	<u>CY</u>
1.1	2003

2.1 2004

3.3 2005

2.5 2006