| CMS Manual System | **Department of Health & Human Services (DHHS)** |
|---|---|
| Pub 100-04 Medicare Claims Processing | **Centers for Medicare & Medicaid Services (CMS)** |
| **Transmittal 2703** | **Date: May 10, 2013** |
| | **Change Request 8269** |

**SUBJECT: Ambulance Payment Reduction for Non-Emergency Basic Life Support (BLS) Transports to and from Renal Dialysis Facilities**

**I. SUMMARY OF CHANGES:** Section 637 of the *American Taxpayer Relief Act of 2012* requires that, effective for transports occurring on and after October 1, 2013, fee schedule payments for non-emergency basic life support (BLS) transports of individuals with end-stage renal disease (ESRD) to and from renal dialysis treatment be reduced by 10%. The payment reduction affects transports to and from both hospital-based and freestanding renal dialysis treatment facilities for dialysis services provided on a non-emergency basis.

**EFFECTIVE DATE: October 1, 2013**
**IMPLEMENTATION DATE: October 7, 2013**

***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 | Table of Content |
| N | 15/20.6/Payment for Non-Emergency BLS Trips to/from ESRD Facilities |
| R | 15/20.1.5.1/CMS Supplied National ZIP Code File and National Ambulance Fee Schedule File |

**III. FUNDING:**
**For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:**
No additional funding will be provided by CMS; Contractors activities are to be carried out with their operating budgets

**For Medicare Administrative Contractors (MACs):**
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC statement of Work. The contractor is not obliged to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

**IV. ATTACHMENTS:**

**Business Requirements**
**Manual Instruction**

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

# Attachment - Business Requirements

| Pub. 100-04 | Transmittal: 2703 | Date: May 10, 2013 | Change Request: 8269 |
|---|---|---|---|

**SUBJECT: Ambulance Payment Reduction for Non-Emergency Basic Life Support (BLS) Transports to and from Renal Dialysis Facilities**

**EFFECTIVE DATE: October 1, 2013**
**IMPLEMENTATION DATE: October 7, 2013**

## I. GENERAL INFORMATION

**A. Background:** Section 637 of the *American Taxpayer Relief Act of 2012* requires that, effective for transports occurring on and after October 1, 2013, fee schedule payments be reduced by 10% for non-emergency basic life support (BLS) transports of individuals with end-stage renal disease (ESRD) to and from renal dialysis treatment. The payment reduction affects transports to and from both hospital-based and freestanding renal dialysis treatment facilities for dialysis services provided on a non-emergency basis. Non-emergency BLS ground transports are identified by Healthcare Common Procedure Code System (HCPCS) code A0428. Ambulance transports to and from renal dialysis treatment are identified by origin/destination modifier codes "G" (hospital-based ESRD) and "J" (freestanding ESRD facility) in either the origin or destination position of an ambulance modifier.

Payment for ambulance transports, including items and services furnished in association with such transports, are based on the Ambulance Fee Schedule (AFS) and includes a base rate payment plus a separate payment for mileage. The payment reduction for non-emergency BLS transports to and from renal dialysis treatment applies to both the base rate and the mileage reimbursement.

**B. Policy:** Effective for claims with dates of service on and after October 1, 2013, payment for non-emergency BLS transports to and from renal dialysis treatment facilities will be reduced by 10%. The reduced rate will be calculated after the normal payment rate (including any applicable add-on payments) is calculated and will be applied to the base rate for non-emergency BLS transports (identified by HCPCS code A0428 when billed with the modifier codes indicated below) and the associated mileage (identified by HCPCS code A0425). Payment for emergency transports and non-emergency BLS transports to other destinations (rural and urban) will remain unchanged. The AFS will also remain unchanged.

For ambulance services, suppliers and hospital-based ambulance providers must report an accurate origin and destination modifier for each ambulance trip provided. Origin and destination modifiers used for ambulance services are created by combining two alpha characters. Each alpha character, with the exception of "X", represents an origin code or a destination code. The pair of alpha codes creates a modifier. The first position alpha code equals origin; the second position alpha code equals destination. The reduction will be applied on claim lines containing HCPCS code A0428 with modifier code "G" or "J" in either the first position (origin code) or second position (destination code) within the two-digit ambulance modifier code and HCPCS code A0425, which reflects the mileage associated with the transport.

**Note:**The 10% reduction applies to beneficiaries with ESRD that are receiving a non-emergency BLS transport to and from renal dialysis treatment. While it is possible that a beneficiary who is not diagnosed with ESRD will require routine transport to and from renal dialysis treatment, it is highly unlikely. However, contractors are reminded that they have discretion to override or reverse the reduction on appeal if they deem it appropriate based on supporting documentation.

## II. BUSINESS REQUIREMENTS TABLE

*Use "Shall" to denote a mandatory requirement.*

| Number | Requirement | Responsibility | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | A/B MAC | | DME MAC | FI | CARRIER | RHHI | Shared-System Maintainers | | | | Other |
| | | Part A | Part B | | | | | FISS | MCS | VMS | CWF | |
| 8269.1 | Effective for claims with dates of service on and after October 1, 2013, contractors shall apply a 10% reduction to the fee schedule allowance on claims for non-emergency BLS transports (base rate and mileage) to and from renal dialysis facilities. | X | X | | X | X | | X | | | | |
| 8269.2 | Contractors shall apply the 10% reduction to claim lines containing HCPCS code A0428 with an origin/destination modifier that contains "G" or "J" in any position. | X | X | | X | X | | X | X | | | |
| 8269.2.1 | Contractors shall also apply the 10% reduction to claim lines containing HCPCS code A0425 when billed with an origin/destination modifier that contains "G" or "J" and HCPCS code A0428 with an origin/destination modifier that contains "G" or "J" in any position. | X | X | | X | X | | X | X | | | |
| 8269.3 | Contractors shall apply the 10% ESRD-related non-emergency BLS transport reduction after calculation of the fee schedule payment amount and any applicable ambulance add-on or bonus payment calculations. | X | X | | X | X | | X | X | | | |
| 8269.4 | Contractors shall apply the 10% ESRD-related non-emergency BLS transport reduction prior to calculation of coinsurance and deductible as well as application of any other reductions (such as the total claim payment reduction), incentive payments, overpayment recoveries, etc. | X | X | | X | X | | X | X | | | |
| 8269.5 | Contractors shall use the following claim adjustment reason code on the remittance advice notices for claims for which they have applied the reduced AFS methodology:<br><br>45 Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement**.** | X | X | | X | X | | | | | | |
| 8269.6 | Contractors shall use group code "CO" (contractual obligation) on remittance advice notices for claims to which the reduced AFS methodology described in this change request applies. | X | X | | X | X | | | | | | |
| 8269.7 | Contractors shall use the following message on the Medicare Summary Notices for claims for which reduced AFS methodology was applied: | X | X | | X | X | | X | | | | |

| Number | Requirement | Responsibility | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | A/B MAC | | DME MAC | FI | CARRIER | RHHI | Shared-System Maintainers | | | | Other |
| | | Part A | Part B | | | | | FISS | MCS | VMS | CWF | |
| | 30.1 The approved amount is based on a special payment method. (Spanish: La cantidad aprobada está basada en un método especial de pago.) | | | | | | | | | | | |
| 8269.8 | Contractors shall have discretion to, at the line level, override or reverse the 10% reduction on appeal, if they deem it appropriate based on supporting documentation. | X | X | | X | X | | X | X | | | |

## III. PROVIDER EDUCATION TABLE

| Number | Requirement | Responsibility | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | A/B MAC | | DME MAC | FI | CARRIER | RHHI | Other |
| | | Part A | Part B | | | | | |
| 8269.9 | MLN Article : A provider education article related to this instruction will be available at http://www.cms.hhs.gov/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web sites and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in the contractor's next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly. | X | X | | X | X | | |

## IV. SUPPORTING INFORMATION

**Section A: Recommendations and supporting information associated with listed requirements: N/A**

*Use "Should" to denote a recommendation.*

| X-Ref Requirement Number | Recommendations or other supporting information: |
|---|---|

**Section B: All other recommendations and supporting information: N/A**

## V. CONTACTS

**Pre-Implementation Contact(s):** Felicia Rowe, felicia.rowe@cms.hhs.gov (For ambulance supplier claims) , Fred Rooke, fred.rooke@cms.hhs.gov (For hospital-based ambulance claims)

**Post-Implementation Contact(s):** Contact your Contracting Officer's Representative (COR) or Contractor Manager, as applicable.

## VI. FUNDING

**Section A: For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs), and/or Carriers:**
No additional funding will be provided by CMS; Contractors activities are to be carried out with their operating budgets

**Section B: For Medicare Administrative Contractors (MACs):**
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS do not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

# Medicare Claims Processing Manual
## Chapter 15 - Ambulance

**Table of Contents**
***(Rev.2703, Issued: 05-10-13)***

## *20.6 – Payment for Non-Emergency Trips to/from ESRD Facilities*

***(Rev.2703, Issued: 05-10-13, Effective: 10-01-13, Implementation: 10-07-13)***

*Section 637 of the American Taxpayer Relief Act of 2012 requires that, effective for transports occurring on and after October 1, 2013, fee schedule payments for non-emergency basic life support (BLS) transports of individuals with end-stage renal disease (ESRD) to and from renal dialysis treatment be reduced by 10%. The payment reduction affects transports (base rate and mileage) to and from hospital-based and freestanding renal dialysis treatment facilities for dialysis services provided on a non-emergency basis. Non-emergency BLS ground transports are identified by Healthcare Common Procedure Code System (HCPCS) code A0428. Ambulance transports to and from renal dialysis treatment are identified by modifier codes "G" (hospital-based ESRD) and "J" (freestanding ESRD facility) in either the first position (origin code) or second position (destination code) within the two-digit ambulance modifier. (See Section 30 (A) for information regarding modifiers specific to ambulance.)*

*Effective for claims with dates of service on and after October 1, 2013, the 10% reduction will be calculated and applied to HCPCS code A0428 when billed with modifier code "G" or "J". The reduction will also be applied to any mileage billed in association with a non-emergency transport of a beneficiary with ESRD to and from renal dialysis treatment. BLS mileage is identified by HCPCS code A0425.*

*The 10% reduction will be taken <u>after</u> calculation of the normal fee schedule payment amount, including any add-on or bonus payments, and will apply to transports in rural and urban areas as well as areas designated as "super rural".*

*Payment for emergency transports is not affected by this reduction. Payment for non-emergency BLS transports to other destinations is also not affected. This reduction does not affect or change the Ambulance Fee Schedule.*

*Note: The 10% reduction applies to beneficiaries with ESRD that are receiving non-emergency BLS transport to and from renal dialysis treatment. While it is possible that a beneficiary who is not diagnosed with ESRD will require routine transport to and from renal dialysis treatment, it is highly unlikely. However, contractors have discretion to override or reverse the reduction on appeal if they deem it appropriate based on supporting documentation.*

## 20.1.5.1 - CMS Supplied National ZIP Code File and National Ambulance Fee Schedule File

*(Rev.2703, Issued: 05-10-13, Effective: 10-01-13, Implementation: 10-07-13)*

CMS will provide each contractor with two files: a national ZIP Code file and a national Ambulance FS file.

**A.** The national ZIP5 Code file is a file of 5-digit USPS ZIP Codes that will map each ZIP Code to the appropriate FS locality. Every 2 months, CMS obtains an updated listing of ZIP Codes from the USPS. On the basis of the updated USPS file, CMS updates the Medicare ZIP Code file and makes it available to contractors.

The following is a record layout of the ZIP5 file effective January 1, 2009

**ZIP5 CODE to LOCALITY RECORD LAYOUT**

| Field Name | Position | Format | COBOL Description |
|---|---|---|---|
| State | 1-2 | X(02) | Alpha State Code |
| ZIP Code | 3-7 | X(05) | Postal ZIP Code |
| Carrier | 8-12 | X(05) | Medicare Part B Carrier Number |
| Pricing Locality | 13-14 | X(02) | Pricing Locality |
| Rural Indicator | 15 | X(01) | Effective 1/1/07<br>Blank = urban, R=rural, B=super rural |
| Beneficiary Lab CB Locality | 16-17 | X(02) | Lab competitive bid locality;<br>Z1= CBA1<br>Z2= CBA2<br>Z9= Not a demonstration locality |
| Rural Indicator 2 | 18 | X(01) | What was effective 12/1/06<br>Blank=urban, R=rural, B=super rural |
| Filler | 19-20 | X(02) | |
| Plus Four Flag | 21 | X(01) | 0 = no +4 extension<br>1 = +4 extension |
| Filler | 22-75 | X(54) | |

| | | | |
|---|---|---|---|
| Year/Quarter | 76-80 | X(05) | YYYYQ |

**NOTE:** Effective October 1, 2007, claims for ambulance services will continue to be submitted and priced using 5-digit ZIP Codes. Contractors will not need to make use of the ZIP9 file for ambulance claims.

Beginning in 2009, contractors shall maintain separate ZIP Code files for each year which will be updated on a quarterly basis. Claims shall be processed using the correct ZIP Code file based on the date of service submitted on the claim.

A ZIP Code located in a rural area will be identified with either a letter "R" or a letter "B." Some ZIP Codes will be designated as rural due to the Rural Urban Commuting Area (RUCA) Score even though the ZIP Code may be located, in whole or in part, within an MSA or Core Based Statistical Area (CBSA).

A"B" designation indicates that the ZIP Code is in a rural county (or RUCA area) that is comprised by the lowest quartile by population of all such rural areas arrayed by population density. Effective for claims with dates of service between July 1, 2004 and December 31, 2010, contractors must apply a bonus amount to be determined by CMS to the base rate portion of the payment under the FS for ground ambulance services with a POP "B" ZIP Code. This amount is in addition to the rural bonus amount applied to ground mileage for ground transports originating in a rural POP ZIP Code.

Each calendar quarter beginning October 2007, CMS will upload updated ZIP5 and ZIP9 ZIP Code files to the Direct Connect (formerly the Network Data Mover). Contractors shall make use of the ZIP5 file for ambulance claims and the ZIP9 file as appropriate per IOM Pub. 100-04, Medicare Claims Processing Manual, chapter 1 –General Billing Requirements , section 10.1.1.1 - Payment Jurisdiction Among Local Carriers for Services Paid Under the Physician Fee Schedule and Anesthesia Services and the additional information found in Transmittal 1193, Change Request 5208, issued March 9, 2007. The updated files will be available for downloading on approximately November 15th for the January 1 release, approximately February 15th for the April 1 release, approximately May 15th for the July 1 release, and approximately August 15th for the October 1 release.

Contractors are responsible for retrieving the ZIP Code files upon notification and must implement the following procedure for retrieving the files:

1. Upon quarterly Change Requests communicating the availability of updated ZIP Code files, go to the Direct Connect and search for the files. Confirm that the release number (last 5 digits) corresponds to the upcoming calendar quarter. If the release number (last 5 digits) does not correspond to the upcoming calendar quarter, notify CMS.

2. After confirming that the ZIP Code files on the Direct Connect corresponds to the next calendar quarter, download the files and incorporate the files into your testing regime for the upcoming model release.

The names of the files will be in the following format: MU00.AAA2390.ZIP5.LOCALITY.Vyyyyr and MU00.AAA2390.ZIP9.LOCALITY.Vyyyyr where "yyyy" equals the calendar year and "r" equals the release number with January =1, April =2, July =3, and October =4. So, for example, the names of the file updates for October 2007 are MU00.AAA2390.ZIP5.LOCALITY.V20074 and MU00.AAA2390.ZIP9.LOCALITY.V20074. The release number for this file is 20074, release 4 for the year 2007.

When the updated files are loaded to the Direct Connect, they will overlay the previous ZIP Code files.

**NOTE:** Even the most recently updated ZIP Code files will not contain ZIP Codes established by the USPS after CMS compiles the files. Therefore, for ZIP Codes reported on claims that are not on the most recent ZIP Code files, follow the instructions for new ZIP Codes in **§20.1.5(B)**.

**B.** CMS will also provide contractors with a national Ambulance FS file that will contain payment amounts for the applicable HCPCS codes. The file will include FS payment amounts by locality for all FS localities. The FS file will be available via the CMS Mainframe Telecommunications System. Contractors are responsible for retrieving this file when it becomes available. The full FS amount will be included in this file. CMS will notify contractors of updates to the FS and when the updated files will be available for retrieval. CMS will send a full-replacement file for annual updates and for any other updates that may occur.

The following is a record layout of the Ambulance Fee Schedule file:

**AMBULANCE FEE SCHEDULE FILE RECORD DESCRIPTION**

| **Field Name** | **Position** | **Format** | **Description** |
|---|---|---|---|
| HCPCS | 1-5 | X(5) | *Level 2 HCPCs code number for the service.* |
| Carrier Number | 6-10 | X(5) | *Contractor Number* |
| Locality Code | 11-12 | X(2) | *Identification of Pricing Locality* |
| *RVU* | 13-18 | *9(4)V2* | *Relative Value Units set a numeric value for ambulance services relative to the value of a base level ambulance service.* |
| *GPCI (PE)* | 19-22 | *9V3* | *The GPCI for the practice expense portion of the Medicare physician fee schedule is used to adjust payment to account for regional differences.* |
| *Base Rate* | *23-29* | *9(5)V2* | *A nationally uniform "base" amount used to calculate each HCPCS' payment amount.* |
| *Urban Rate* | *30-36* | *9(5)V2* | *Urban Ground/Air mileage rate.* |
| *Rural Rate* | *37-43* | *9(5)V2* | *Rural Ground/Air mileage rate.* |
| Current Year | *44-47* | *x(4)* | *4 digit current effective year.* |

| Field Name | Position | Format | Description |
|---|---|---|---|
| Current Quarter | *48-48* | *x(1)* | *1 digit current effective quarter: 1=January, 2=April, 3=July, 4 =October.* |
| *Current Date* | *49-56* | *x(8)* | *Current Effective Start Date.* |
| Filler | *57*-80 | X(26) | Future use |