CMS Manual System	**Department of Health & Human Services (DHHS)**
Pub 100-04 Medicare Claims Processing	**Centers for Medicare & Medicaid Services (CMS)**
Transmittal 13986	**Date: November 13, 2026**
	Change Request 14644

SUBJECT: Ambulance Inflation Factor (AIF) for Calendar Year (CY) 2027 and Productivity Adjustment

I. SUMMARY OF CHANGES: The purpose of this Change Request (CR) is to manualize the Ambulance Inflation Factor (AIF) so that Medicare contractors can accurately determine payment amounts for ambulance services. This recurring update notification applies to publication 100-04, Medicare Claims Processing Manual, chapter 15, section 20.4.

EFFECTIVE DATE: January 1, 2027
**Unless otherwise specified, the effective date is the date of service.*
IMPLEMENTATION DATE: January 4, 2027

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	15/20.4/Ambulance Inflation Factor (AIF)

III. FUNDING:
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 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.

IV. ATTACHMENTS:

Recurring Update Notification

Attachment - Recurring Update Notification

Pub. 100-04	Transmittal: 13986	Date: November 13, 2026	Change Request: 14644

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EFFECTIVE DATE: January 1, 2027
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IMPLEMENTATION DATE: January 4, 2027

I. SUMMARY OF CHANGES: The purpose of this Change Request (CR) is to manualize the Ambulance Inflation Factor (AIF) so that Medicare contractors can accurately determine payment amounts for ambulance services. This recurring update notification applies to publication 100-04, Medicare Claims Processing Manual, chapter 15, section 20.4.

II. GENERAL INFORMATION

A. Background: This document furnishes the CY 2027 AIF for determining the payment limit for ambulance services required by section 1834(l)(3)(B) of the Social Security Act (the Act), and updates Publication (Pub.) 100-04, Medicare Claims Processing Manual, chapter 15, section 20.4.

Section 1834(l)(3)(B) of the Act provides the basis for an update to the payment limits for ambulance services 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. Section 3401 of the Affordable Care Act amended Section 1834(l)(3) of the Act to apply a productivity adjustment to this update equal to the 10-year moving average of changes in economy-wide private nonfarm business multi-factor productivity beginning January 1, 2011. Beginning with the November 18, 2021, release of productivity data, the Bureau of Labor Statistics (BLS) replaced the term multifactor productivity with Total Factor Productivity (TFP), stating that this is a change in terminology only and will not affect the data or methodology. The resulting update percentage is referred to as the AIF.

B. Policy: This transmittal manualizes the AIF so that Medicare contractors can accurately determine payment amounts for ambulance services.

On March 23, 2010, the Patient Protection and Affordable Care Act (Pub. L. 111-148) was enacted. Following the enactment of Pub. L. 111-148, the Health Care and Education Reconciliation Act of 2010, Pub. L. 111-152 (enacted on March 30, 2010), amended certain provisions of Pub. L. 111-148. These public laws are collectively known as the Affordable Care Act. Section 3401 of the Affordable Care Act requires that specific Prospective Payment System (PPS) and Fee Schedule (FS) update factors be adjusted by changes in economy-wide productivity. The statute defines the productivity adjustment to be equal to the 10-year moving average of changes in annual economy-wide TFP (as projected by the Secretary for the 10-year period ending with the applicable fiscal year, cost reporting period, or other annual period). The TFP for CY 2027 is 1.0 percent and the CPI-U for 2026 is 3.5. According to the Affordable Care Act, the CPI-U is reduced by the TFP, even if this reduction results in a negative AIF update. Therefore, the AIF for CY 2027 is 2.5 percent.

Part B coinsurance and deductible requirements apply to payments under the ambulance fee schedule. The 2027 ambulance fee schedule file is available in November 2026. It may be retrieved at any time and will reside indefinitely for your access. It may be updated with each quarterly Common Working File (CWF) update.

III. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			DME	Shared-System Maintainers				Other
		A	B	HHH	MAC	FISS	MCS	VMS	CWF	
14644.1	Contractors shall use the CY 2027 AIF for determining the payment limit on claims for ambulance services furnished on or after January 1, 2027.	X	X							
14644.2	The contractors shall use the cloud fee schedule to determine the payments for ambulance claims processed or reprocessed on or after January 1, 2027.	X	X							PCS

IV. PROVIDER EDUCATION

Medicare Learning Network® (MLN): CMS will develop and release national provider education content and market it through the MLN Connects® newsletter shortly after we issue the CR. MACs shall link to relevant information on your website and follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1 for distributing the newsletter to providers. When you follow this manual section, you don't need to separately track and report MLN content releases. You may supplement with your local educational content after we release the newsletter.

Impacted Contractors: A/B MAC Part A, A/B MAC Part B

V. SUPPORTING INFORMATION

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

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

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

VI. CONTACTS

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VII. FUNDING

Section A: For Medicare Administrative Contractors (MACs):
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ATTACHMENTS: 0

20.4 - Ambulance Inflation Factor (AIF)

(Rev. 13986, Issued: 11-13-26, Effective:01-01-27, Implementation: 01-04-27)

Section 1834(l)(3)(B) of the Social Security Act (the Act) provides the basis for an update to the payment limits for ambulance services 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. Section 3401 of the Affordable Care Act amended Section 1834(l)(3) of the Act to apply a productivity adjustment to this update equal to the 10-year moving average of changes in economy-wide private nonfarm business multi- factor productivity beginning January 1, 2011. The resulting update percentage is referred to as the Ambulance Inflation Factor (AIF). These updated percentages are issued via Recurring Update Notifications.

Part B coinsurance and deductible requirements apply to payments under the ambulance fee schedule. Following is a chart tracking the history of the AIF:

CY	AIF
2003	1.1
2004	2.1
2005	3.3
2006	2.5
2007	4.3
2008	2.7
2009	5.0
2010	0.0
2011	-0.1
2012	2.4
2013	0.8
2014	1.0
2015	1.5
2016	-0.4
2017	0.7
2018	1.1
2019	2.3
2020	0.9
2021	0.2
2022	5.1
2023	8.7
2024	2.6
2025	2.4
2026	2.0
2027	***2.5***