

# CY 2011

## Ambulance Fee Schedule

### Public Use Files

#### Background

The Ambulance Fee Schedule was implemented on April 1, 2002. The accompanying public use files reflect updates effective for ambulance claims with dates of service January 1, 2011 through December 31, 2011.

#### Applicable Provisions of the Balanced Budget Act (BBA) of 1997

Section 4531 (b) (2) of the Balanced Budget Act (BBA) of 1997 added a new section 1834 (1) to the Social Security Act which mandates implementation of a national fee schedule for ambulance services furnished as a benefit under Medicare Part B. The fee schedule applies to all ambulance services, including volunteer, municipal, private, independent, and institutional providers, i.e., hospitals, critical access hospitals (except when it is the only ambulance service within 35 miles), and skilled nursing facilities.

Section 1834 (1) also requires mandatory assignment for all ambulance services. Ambulance providers and suppliers must accept the Medicare allowed charge as payment in full and not bill or collect from the beneficiary any amount other than any unmet Part B deductible and the Part B coinsurance amounts.

The fee schedule is effective for claims with dates of service on or after April 1, 2002. Ambulance services covered under Medicare will then be paid based on the lower of the actual billed amount or the ambulance fee schedule amount. The fee schedule was fully implemented as of January 1, 2006. Previously, the fee schedule was phased in over a 5 year period from April 1, 2002-December 31, 2005 and replaced the retrospective reasonable cost reimbursement system for providers and the reasonable charge system for ambulance suppliers.

#### Additional Payments for Ground Ambulance Services Under Section 414 of the Medicare Prescription Drug, Improvement, and Modernization Act (MMA) of 2003

Section 414 of the MMA of 2003 provides for additional payments for ground ambulance services. The following changes to the payment rates for rural and urban ground ambulance transports became effective on July 1, 2004:

- Phase-In Providing Floor Using Blend of Fee Schedule and Regional Fee Schedules (Transition Period effective July 1, 2004 - December 31, 2009):

This provision of MMA establishes a floor amount for the FS portion of the payment. For the period July 1, 2004 to December 31, 2009, the FS portion of the payment will be either the regular (national) fee schedule amount, or a blended amount of the national rate and the regional fee schedule amount calculated by CMS. Providers/suppliers will be reimbursed using the higher of these two amounts.

- Adjustment in Payment for Certain Long Trips (Effective July 1, 2004 to December 31, 2008):

This provision of the MMA establishes a 25 percent bonus on the mileage rate for ground miles 51 and greater. This bonus amount is payable for ground transports originating in both rural and urban areas.

- Improvement in Payments to Retain Emergency Capacity for Ambulance Services in Rural Areas (Effective July 1, 2004 to December 31, 2009):

This provision of the MMA directs the Secretary to provide an increase in the base payment rate for ground ambulance trips that originate in a rural area with a population density in the lowest quartile of all rural county populations, through 2009. The bonus amount to be applied for the designated rural areas is a multiplier determined by CMS. Medicare contractors apply the “super-rural” bonus amount as a multiplier to the base rate where the point of pickup (POP) is in one of a group of designated rural ZIP codes.

- Temporary Increase for Ground Ambulance Services

This provision of MMA establishes a temporary increase in payments for ground ambulance services provided between July 1, 2004 and January 1, 2007 of 2 percent for transports which originate in a rural area and 1 percent for transports which originate in a rural area.

*Applicable Provisions of the Medicare Improvements for Patients and Providers Act (MIPPA) of 2008*

Section 146(a) of the MIPPA of 2008 provides for an extension of increased payments for ground ambulance services originating in either urban or rural areas. For ground ambulance service claims with dates of service July 1, 2008 through December 31, 2009, the ambulance fee schedule rates are increased by 2% for ambulance trips originating in urban areas and by 3% for ambulance trips originating in rural areas.

*Applicable Provisions of the Patient Protections and Affordable Care Act (ACA) of 2010*

Sections 3105(a) and 10311(a) provides for an extension of increased payments for ground ambulance services originating in either urban or rural areas. For ground ambulance service claims with dates of service January 1, 2010 through December 31, 2010, the ambulance fee schedule rates are increased by 2% for ambulance trips originating in urban areas and by 3% for ambulance trips originating in rural areas.

Sections 3105(c) and 10311(c) provides for an extension through December 31, 2010 of the MMA provision allowing for an increase in the base payment rate for ground ambulance trips that originate in a rural area with a population density in the lowest quartile of all rural county populations.

*Applicable Provisions of the Medicare and Medicaid Extenders Act of 2010 (MMEA)*

Section 106(a) of the MMEA provides for an extension through December 31, 2011, of the increase in the ambulance fee schedule amounts for covered ambulance transports which originated in rural areas by 3 percent and in urban areas by 2 percent.

Section 106(b) provides for an extension through December 31, 2011, of payments under the ambulance fee schedule for air ambulance services provided in a rural area designated as such as of December 31, 2006.

Section 106(c) of the MMEA provides for an extension through December 31, 2011, of the payment provision whereby the payment amount for the ground ambulance base rate is increased when the ambulance transport originates in a rural area that is included in those areas comprising the lowest 25<sup>th</sup> percentile of all rural populations arrayed by population density. This increased payment amount has come to be known unofficially as the “Super Rural Bonus” and, similar to the past year’s extension of the provision, will be equal to 22.6 percent

## **Overview of the Ambulance Public Use File**

This public use file will display the ambulance fee schedule amounts for each Healthcare Common Procedure Coding System (HCPCS) code by state locality and carrier.

## **Data Elements of the Ambulance Public Use File**

- (1) Carrier: This is the identifier used by the Centers for Medicare and Medicaid Services to identify the entity which has the responsibility for adjudicating and paying claims within a defined geographical location.
- Fiscal Intermediaries pay based on the zip code within the appropriate carrier geographic location.
- (2) Locality: This field represents subsets of locations within a defined jurisdiction with different GPCI’s.
- (3) HCPCS: This field has the full range of HCPCS services payable under the ambulance fee schedule.
- (4) Base Rate: The Base Rate is a nationally uniform “base” amount used to calculate each HCPCS’ payment amount.
- (5) Relative Value Units (RVU): RVUs set a numeric value for ambulance services relative to the value of a base level ambulance service. Since there are marked differences in resources necessary to furnish the various levels of ground ambulance services, different levels of payment are appropriate for the various levels of service. The different payment amounts are based on level of service. An RVU expresses the constant multiplier for a particular type of service (including, where appropriate, an emergency response). An RVU of 1.00 is assigned to the Basic Life Support (BLS) level of ground service, i.e., BLS has an RVU of 1; higher RVU values are assigned to the other types of ground ambulance services, which require a higher level of service than BLS.

The RVUs are as follows:

| <u>Service Level</u> | <u>RVU</u> |
|----------------------|------------|
| BLS                  | 1.00       |
| BLS - Emergency      | 1.60       |
| ALS1                 | 1.20       |
| ALS1- Emergency      | 1.90       |
| ALS2                 | 2.75       |
| SCT                  | 3.25       |
| PI                   | 1.75       |

Air ambulance services have no RVUs. However, on the fee schedule and this public use file the base rate for air ambulance services is displayed as an RVU.

(6) Geographic Practice

Cost Index (GPCI): The GPCI for the practice expense portion of the Medicare physician fee schedule is used to adjust payment to account for regional differences. The geographic areas applicable to the ambulance fee schedule are the same as those used for the physician fee schedule.

The location where the beneficiary was put into the ambulance (“point of pickup”) establishes which GPCI applies. For multiple vehicle transports, i.e., where ground ambulance transports to an air ambulance, each leg of the transport is separately evaluated for the applicable GPCI.

Thus, for the second (or any subsequent) leg of a transport, the point of pickup establishes the applicable GPCI for that portion of the ambulance transport.

The GPCI is not applied to the mileage payment.

(7)(a) Urban Base Rate/

Urban Mileage: This field displays one of four rates calculated as such for 2011:

1. Urban ground base rates –  $(RVU * (.3 + (.7 * GPCI))) * BASE RATE * 1.02$
2. Urban air base rates –  $((BASE RATE * .5) + (BASE RATE * .5 * GPCI)) * RVU$
3. Urban ground mileage rates –  $BASE RATE * 1.02$
4. Urban air mileage rates –  $BASE RATE * 1.0$

For more information on how the urban base rate and mileage rate amounts are calculated, see the ambulance fee schedule final rule published in the Federal Register on February 27, 2002 (67 FR 9100).

(7)(b) Rural  
Base Rate / Rural  
Mileage:

This field displays one of four rates calculated as such for 2011:

1. Rural ground base rates –  $(RVU * (.3 + (.7 * GPCI))) * BASE RATE * 1.03$
2. Rural air base rates –  $((BASE RATE * .5) + (BASE RATE * .5 * GPCI)) * RVU * 1.5$
3. Rural ground mileage rates –  $BASE RATE * 1.03$
4. Rural air mileage rates –  $BASE RATE * 1.50$

The amount payable for the base rate and all air miles for all air transportation beginning in a rural area is 1.5 times the urban air base and mileage rate.

For more information on how the rural base rate and mileage rate amounts are calculated, see the ambulance fee schedule final rule published in the Federal Register on February 27, 2002 (67 FR 9100).

(7)(c) Rural  
Base Rate / Lowest  
Quartile:

This field displays the rural base rate adjusted by the “super-rural bonus” multiplier of 22.6 percent. In accordance with MMA Section 414, ACA Sections 3105(c) and 10311(c), and MMEA Section 106(c) this bonus applies only to ambulance transports originating in a rural area determined by the Secretary to be in the lowest 25th percentile of all rural populations arrayed by population density. Medicare contractors will apply this amount to the base rate when the point of pickup (POP) is in one of a group of designated rural ZIP codes.

(8) Rural  
Ground Miles 1-17

This field displays the amounts for rural ground miles 1-17.

For ground rural miles 1-17, the mileage rate for ground transports provided in a rural area is 1.5 times the rural mileage rate per mile.

(The urban ground mileage rate applies to all miles of an ambulance transport originating in an urban area.)

This field displays a rural amount for the air base rate and air mileage. The amount payable for the base rate and all air miles for all air transportation originating in a rural area is 1.5 times the urban air base and mileage rates.

For more information, please refer to 42 CFR § 414.610(c)(5)(i).