

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-04 Medicare Claims Processing</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 2104</b>	<b>Date: November 19, 2010</b>
	<b>Change Request 7042</b>

**This transmittal rescinds and replaces Transmittal 2074, dated October 25, 2010, to correct the 2011 ambulance fee schedule file name in Business Requirement 7042.2. Additionally, this Change Request is being re-communicated on November 19, 2010, as no longer sensitive and can now be posted to the Internet. All other information remains the same.**

**SUBJECT: Ambulance Inflation Factor for CY 2011 and Productivity Adjustment.**

**I. SUMMARY OF CHANGES:** This Change Request provides the Ambulance Inflation Factor (AIF) for CY 2011 and incorporates multi-factor productivity adjustment. The Recurring Update Notification applies to chapter 15, section 20.4.

**EFFECTIVE DATE: January 1, 2011**

**IMPLEMENTATION DATE: January 3, 2011**

*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

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
<b>R</b>	15/20.4/Ambulance Inflation Factor (AIF)

**III. FUNDING:**

**For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:**

No additional funding will be provided by CMS; Contractor activities are to be carried out within 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 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:**

**Manual Instruction**

**Recurring Update Notification**

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

# Attachment – Recurring Update Notification

Pub. 100-04	Transmittal: 2104	Date: November 19, 2010	Change Request: 7042
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**SUBJECT: Ambulance Inflation Factor for CY 2011 and Productivity Adjustment**

**Effective Date: January 1, 2011**

**Implementation Date: January 3, 2011**

## **I. GENERAL INFORMATION**

**A. Background:** This document furnishes the CY 2011 ambulance inflation factor (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 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. 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 private nonfarm business multi-factor productivity (MFP) (as projected by the Secretary for the 10-year period ending with the applicable fiscal year, cost reporting period, or other annual period). The MFP for calendar year (CY) 2011 is 1.2 percent and the CPI-U for 2011 is 1.1 percent. According to the Affordable Care Act, the CPI-U is reduced by the MFP, even if this reduction results in a negative AIF update. Therefore, the AIF for CY 2011 is -0.1 percent.

Part B coinsurance and deductible requirements apply to payments under the ambulance fee schedule. The 2011 ambulance fee schedule file is available in November 2010. 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.

## II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M  M A C	F I  I E R	C A  R I E R	R H  I	Shared-System Maintainers				OTHER
					F I S S	M C S	V M S	C W F			
7042.1	Contractors shall use the CY 2011 AIF for determining the payment limit on claims for ambulance services furnished on or after January 1, 2011.	X		X	X		X				
7042.2	The 2011 ambulance fee schedule file shall be available in November 2010. The contractors shall process 2011 ambulance claims. The address for the file is as follows: <a href="mailto:MU00@AAA2390.AMBFS.FINAL.CY2011.V1115">MU00@AAA2390.AMBFS.FINAL.CY2011.V1115</a> .	X		X	X		X				EDC/ data center action
7042.3	Upon successful receipt of each file, the contractor shall send notification of receipt via email to price_file_receipt@cms.hhs.gov, stating the name of the file received and the entity for which it was received (e.g., contractor name and number).	X		X	X		X				EDC

## III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M  M A C	F I  I E R	C A  R I E R	R H  I	Shared-System Maintainers				OTHER
					F I S S	M C S	V M S	C W F			
7042.4	A provider education article related to this instruction will be available at <a href="http://www.cms.hhs.gov/MLNMattersArticles/">http://www.cms.hhs.gov/MLNMattersArticles/</a> 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 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. Contractors are free to supplement	X		X	X						

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B	D M E	F I	C A R I E R	R H I	Shared-System Maintainers				OTHER
		M A C	M A C				I S S	M C S	V M S	C W F	
	MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.										

**IV. SUPPORTING INFORMATION**

**Section A: For any recommendations and supporting information associated with listed requirements, use the box below:**

*Use "Should" to denote a recommendation.*

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

**Section B: For all other recommendations and supporting information, use this space: N/A**

**V. CONTACTS**

**Pre-Implementation Contact(s):** Roechel Kujawa, [roechel.kujawa@cms.hhs.gov](mailto:roechel.kujawa@cms.hhs.gov) or on 410-786-9111

**Post-Implementation Contact(s):** Roechel Kujawa, [roechel.kujawa@cms.hhs.gov](mailto:roechel.kujawa@cms.hhs.gov) or on 410-786-9111

**VI. FUNDING**

**Section A: For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers,**

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

**Section B: For Medicare Administrative Contractors (MACs), include the following statement:**

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.

## 20.4 - Ambulance Inflation Factor (AIF)

*(Rev. 2104, Issued: 11-19-10, Effective: 01-01-11, Implementation: 01-03-11)*

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
<i>2011</i>	<i>-0.1</i>