Ambulance Fee Schedule

PAYMENT SYSTEM SERIES
Please note: The information in this publication applies only to the Medicare Fee-For-Service Program (also known as Original Medicare).

This publication provides the following information about the Ambulance Fee Schedule (FS):

- Background;
- The Medicare Part B ambulance transport benefit;
- Ambulance providers and suppliers;
- Advance Beneficiary Notice of Noncoverage (ABN);
- Payments;
- How payment rates are set;
- Updates to the Ambulance FS; and
- Resources.

When “you” is used in this publication, we are referring to ambulance providers and suppliers.

Background

Section 4531(b)(2) of the Balanced Budget Act of 1997 added Section 1834(l) to the Social Security Act (the Act), which mandated the implementation of a national Ambulance FS for Medicare Part B ambulance transport claims with dates of service on or after April 1, 2002. The Ambulance FS applies to all ambulance transports.

Section 1834(l) of the Act also required mandatory assignment for all ambulance transports, which means you will be paid the Medicare-allowed amount as payment in full for your transports. In addition, you may bill or collect only any unmet Part B deductible and coinsurance amounts from the beneficiary.

The Medicare Part B Ambulance Transport Benefit

The ambulance transport benefit is a transport by an ambulance. Medicare may cover the transport when the use of any other method of transportation is contraindicated due to the beneficiary’s condition and the following additional coverage requirements are met:

1) The transport is medically reasonable and necessary;
2) A Medicare beneficiary is transported;
3) The destination is local; and
4) The facility is appropriate.

For more information about ground and air ambulance transport coverage requirements, refer to the Medicare Learning Network® (MLN) publication titled “Medicare Ambulance Transports” on the Centers for Medicare & Medicaid Services (CMS) website.

Ambulance Providers and Suppliers

An ambulance provider is a provider that owns and operates an ambulance transportation service as an adjunct to its institutionally-based operations. The Ambulance FS applies to the following providers:

- Hospitals;
- Critical Access Hospitals (CAH);
- Skilled Nursing Facilities;
- Comprehensive Outpatient Rehabilitation Facilities;
- Home Health Agencies; and
- Hospice programs.
An ambulance supplier is not owned or operated by a provider and is enrolled in Medicare as an independent ambulance supplier. The Ambulance FS applies to the following suppliers:

- Volunteer fire and/or ambulance companies;
- Local government ambulance companies;
- Privately-owned and operated ambulance companies; and
- Independently-owned and operated ambulance companies.

**ABN**

ABN Guidance for an Ambulance Transport

In general, you must not issue an ABN to a beneficiary who has an acute medical emergency or is under duress. You must issue an ABN only when a beneficiary’s covered ambulance transport is modified to a level that is not medically reasonable and necessary and will incur additional costs. To assist you in determining whether an ambulance transport requires an ABN, ask yourself the following three questions:

1) Is this service a covered ambulance benefit?
2) Will payment for part or all of this service be denied because it is not reasonable and necessary?
3) Is the beneficiary stable and the transport non-emergent?

If the answer is “Yes” to all three questions, you must issue an ABN.

**General ABN Guidance for Fee-For-Service (FFS) Providers**

You must give written notice to a FFS Medicare beneficiary before you provide items or services that are usually covered by Medicare, but are not expected to be paid in a specific instance (for example, a ground ambulance transport is medically necessary, but the beneficiary insists on an air ambulance transport). Ambulance providers and suppliers use the Advance Beneficiary Notice of Noncoverage (ABN), Form CMS-R-131, for this purpose.

The ABN allows the beneficiary to make an informed decision about whether to get the item or service that may not be covered and accept financial responsibility if Medicare does not pay. **If the beneficiary does not get written notice when it is required, he or she may not be held financially liable if Medicare denies payment, and you may be financially liable if Medicare does not pay.**

If you properly notify the beneficiary that the item or service may not be covered and the beneficiary agrees to pay, you may seek payment from the beneficiary. You must keep a copy of the ABN in the medical record, and give the beneficiary a copy.

If you furnish items or services to the beneficiary based on the referral or order of another provider or supplier, you are responsible for notifying the beneficiary that the services may not be covered by Medicare and that the beneficiary can be held financially liable for them if payment is denied.

You are not required to notify the beneficiary before you furnish an item or service that Medicare never covers (for example, an ambulance transport by wheelchair van) or is not a Medicare benefit. You may, however, choose to issue a voluntary ABN or a similar notice as a courtesy to alert the beneficiary about his or her forthcoming financial liability. When you issue the ABN as a voluntary notice, it has no effect on financial liability, and the beneficiary is not required to check an option box or sign and date the notice.

**Payments**

Medicare pays for an ambulance transport under Part A as a packaged service or under Part B as a separately billed service. If an ambulance transport is covered and payable under Part A, it will not be covered or payable under Part B.

Payment for ambulance transports under the Ambulance FS:

- Includes a base rate payment (level of service provided) plus a separate payment for mileage to the nearest appropriate facility;
Covers both the transport of the beneficiary to the nearest appropriate facility and all medically necessary covered items and services (such as oxygen, drugs, extra attendants, and electrocardiogram testing) associated with the transport; and

Precludes a separate payment for items and services furnished under the ambulance benefit.

How Payment Rates Are Set

The Ambulance FS was fully implemented on January 1, 2006. Each year, an update is applied to the payment limits for ambulance transports 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. Under the Affordable Care Act, Section 1834(l)(3)(B) of the Act was amended to apply a productivity adjustment to the update equal to the 10-year moving average of changes in economy-wide private nonfarm business multi-factor productivity (MFP) beginning on January 1, 2011. The resulting update percentage is called the Ambulance Inflation Factor (AIF).

Ground Ambulance Transports

The total payment amount for ground ambulance providers and suppliers is based on 100 percent of the national Ambulance FS. Payments for ground ambulance transports include the following elements:

- A nationally uniform base rate or conversion factor for all ground ambulance transports;
- A numeric value for ambulance transports relative to the value of a base level ambulance transport called a relative value unit is assigned to each type of ground ambulance transport;
- A geographic adjustment factor (GAF) equal to the practice expense (PE) portion of the geographic practice cost index (GPCI) for each Ambulance FS locality area;
- A nationally uniform loaded mileage rate;
- An additional amount for certain mileage for a rural point-of-pickup (POP); and
- Additional payments to the base rate and/or mileage rate for certain specified temporary periods.

Air Ambulance Transports

The total payment amount for air ambulance providers and suppliers is based on 100 percent of the national Ambulance FS. Payments for air ambulance transports include the following elements:

- A nationally uniform base rate for fixed wing and a nationally uniform base rate for rotary wing;
- A GAF equal to the PE portion of the GPCI for each Ambulance FS locality area;
- A nationally uniform loaded mileage rate for each type of air transport; and
- A rural adjustment to the base rate and mileage for transports furnished for a rural POP.

Updates to the Ambulance FS

For more information about Ambulance FS payment updates, refer to the “CMS Finalizes 2016 Medicare Payment Rules for Physicians, Hospitals & Other Providers” Fact Sheet on the CMS website and the “Medicare Program; Revisions to Payment Policies under the Physician Fee Schedule and Other Revisions to Part B for CY 2016” Final Rule on the Office of the Federal Register website.
The chart below provides Ambulance FS resource information.

**Ambulance FS Resources**

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