
Medicare Carriers Manual Part 3 - Claims Process

Department of Health &
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This transmittal manualizes Program Memorandum AB-01-179.

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Section 2120.5, Zip Code File on the Direct Connect, provides carriers and intermediaries with a quarterly updated zip code file for payment of ambulance claims.

DISCLAIMER: The revision date and transmittal number only apply to the redlined material. All other material was previously published in the manual and is only being reprinted.

These instructions should be implemented within your current operating budget.

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B. Medical Appropriateness--Medical appropriateness is only established when the beneficiary's condition is such that the time needed to transport a beneficiary by land, or the instability of transportation by land, poses a threat to the beneficiary's survival or seriously endangers the beneficiary's health. Following is an advisory list of examples of cases for which air ambulance could be justified. The list is not inclusive of all situations that justify air transportation, nor is it intended to justify air transportation in all locales in the circumstances listed.

- o Intracranial bleeding - requiring neurosurgical intervention;
- o Cardiogenic shock;
- o Burns requiring treatment in a Burn Center;
- o Conditions requiring treatment in a Hyperbaric Oxygen Unit;
- o Multiple severe injuries; or
- o Life-threatening trauma.

C. Time Needed for Land Transport--Differing Statewide Emergency Medical Services (EMS) systems determine the amount and level of basic and advanced life support land transportation available. However, there are very limited emergency cases where land transportation is available but the time required to transport the patient by land as opposed to air endangers the beneficiary's life or health. As a general guideline, when it would take a land ambulance 30-60 minutes or more to transport an emergency patient, consider air transportation appropriate.

D. Appropriate Facility--It is required that the beneficiary be transported to the nearest hospital with appropriate facilities for treatment. The term "appropriate facilities" refers to units or components of a hospital that are capable of providing the required level and type of care for the patient's illness and that have available the type of physician or physician specialist needed to treat the beneficiary's condition. In determining whether a particular hospital has appropriate facilities, take into account whether there are beds or a specialized treatment unit immediately available and whether the necessary physicians and other relevant medical personnel are available in the hospital at the time the patient is being transported. The fact that a more distant hospital is better equipped does not in and of itself warrant a finding that a closer hospital does not have appropriate facilities. Such a finding is warranted, however, if the beneficiary's condition requires a higher level of trauma care or other specialized service available only at the more distant hospital.

E. Hospital to Hospital Transport--Air ambulance transport is covered for transfer of a patient from one hospital to another if the medical appropriateness criteria are met, that is, transportation by ground ambulance would endanger the beneficiary's health and the transferring hospital does not have adequate facilities to provide the medical services needed by the patient. Examples of such services include burn units, cardiac care units, and trauma units. A patient transported from one hospital to another hospital is covered only if the hospital to which the patient is transferred is the nearest one with appropriate facilities. Coverage is not available for transport from a hospital capable of treating the patient because the patient and/or his or her family prefers a specific hospital or physician.

F. Special Coverage Rule--Air ambulance services are not covered for transport to a facility that is not an acute care hospital, such as a nursing facility, physician's office or a beneficiary's home.

G. Special Payment Limitations.--If a determination is made that transport by ambulance was necessary, but land ambulance service would have sufficed, payment for the air ambulance service is based on the amount payable for land transport, if less costly.

If the air transport was medically appropriate (that is, land transportation was contraindicated and the beneficiary required air transport to a hospital), but the beneficiary could have been treated at a nearer hospital than the one to which he or she was transported, the air transport payment is limited to the rate for the distance from the point of pickup to that nearer hospital.

H. Documentation.--Obtain adequate documentation of the determination of medical appropriateness for the air ambulance service.

2120.5 Zip Code File on the Direct Connect.--Every 2 months, we obtain an updated listing of zip codes from the U.S. Postal Service (USPS). On the basis of the updated USPS file, we update the Medicare zip code file and make it available to contractors.

Beginning in April 2002 and every calendar quarter thereafter, we will upload an updated zip code file to the Direct Connect (formerly the Network Data Mover) and furnish notice of its availability via e-mail.

Approximately 6 weeks prior to the beginning of each calendar quarter (i.e., approximately 6 weeks prior to January 1, April 1, July 1, and October 1), an e-mail will be sent out notifying all carriers, intermediaries, and systems maintainers of the availability of the updated file. The updated file will be available in early November for the January 1 release, early February for the March 1 release, early May for the July 1 release, and early August for the September 1 release.

The name of the file will be in the following format: MU00.AAA2390.ZIP.LOCALITY.VCCYYQ. Only the last five positions of the name (i.e., "CCYYQ") will vary (for century, year, and quarter). So, for example, the name of the file updated for April 2002 is MU00.AAA2390.ZIP.LOCALITY.V20022. The release number for this file is 20022, release 2 for the year 2002.

When the updated file is loaded to the Direct Connect, it will overlay the previous zip code file.

NOTE: Even the most recently updated zip code file will not contain zip codes established by the USPS after CMS compiled the file.

Once you receive e-mail giving notice of the availability of an updated zip code file, go to the Direct Connect and search for the file. Confirm that the release number (the last 5 digits) corresponds to the upcoming calendar quarter.

Once you have confirmed that the zip code file on the Direct Connect corresponds to the next calendar quarter, download the file and incorporate the file into your testing regime for the upcoming model release.