

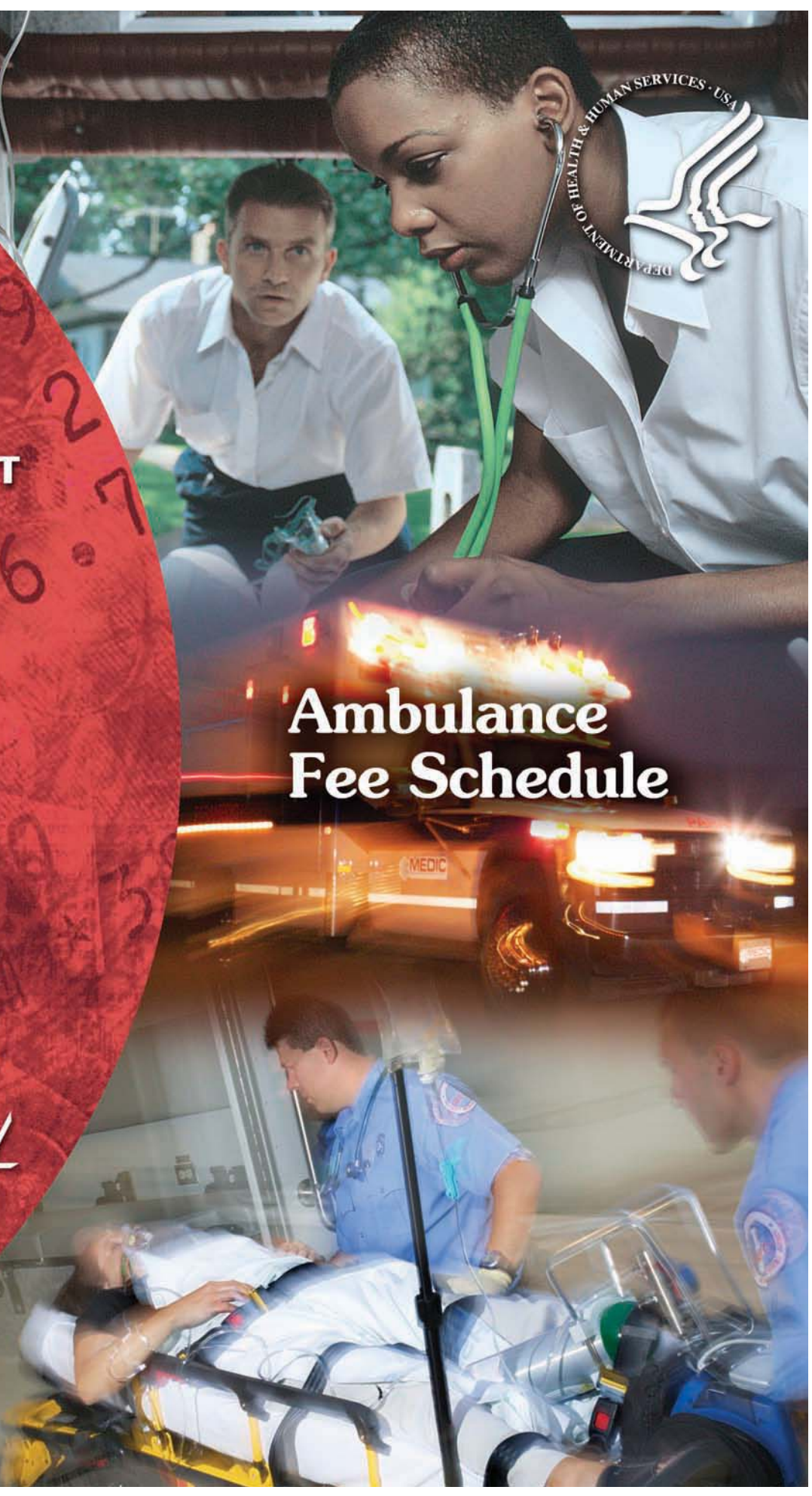
Medicare  
Learning  
Network

**PAYMENT  
SYSTEM  
FACT SHEET  
SERIES**

**CMS**  
CENTERS for MEDICARE & MEDICAID SERVICES



**Ambulance  
Fee Schedule**



**S**ection 4531(b)(2) of the Balanced Budget Act of 1997 added Section 1834(1) to the Social Security Act (the Act), which mandated the implementation of a national **Ambulance Fee Schedule (FS)** effective for Medicare Part B ambulance services claims with dates of service on or after April 1, 2002. Section 1834(l) of the Act also required mandatory assignment for all ambulance services, which means that the provider or supplier will be paid the Medicare allowed amount as payment in full for his or her services. In addition, providers and suppliers may bill or collect only any unmet Medicare Part B deductible and coinsurance amounts from beneficiaries.

The Ambulance FS applies to all ambulance services including the following providers:

- Volunteer;
- Municipal;
- Private;
- Independent; and
- Institutional (i.e., hospitals, Critical Access Hospitals [CAH] with the exception of CAHs that are the only ambulance service within 35 miles, and Skilled Nursing Facilities).



Payment for ambulance services under the FS:

- Includes a base rate payment plus a separate payment for mileage;
- Covers both the transport of the beneficiary to the nearest appropriate facility and all medically necessary covered items and services (e.g., 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**

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Effective January 1, 2006, the Ambulance FS was fully implemented. Each year, payments are updated based on a percentage increase in the Consumer Price Index for All Urban Consumers for the 12-month period ending with June of the previous year called the Ambulance Inflation Factor (AIF). For calendar year 2008, the AIF is 2.7 percent.

### **Ground Ambulance Services**

Effective January 1, 2008, the total payment amount for ground ambulance providers and suppliers is based on 100 percent of the national Ambulance FS or 80 percent of the national Ambulance FS and 20 percent of the regional Ambulance FS, whichever is greater. The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established that the ground ambulance base rate for services furnished during the period July 1, 2004 through December 31, 2009 is subject to a floor





amount, which is determined by establishing nine fee schedules for each of the nine census divisions and using the same methodology as was used to establish the Ambulance FS. If the regional FS methodology for a given census division results in an amount that is lower than the national ground base rate, the regional FS methodology is not used and the national FS amount will apply for all providers and suppliers in the census division. If the regional FS methodology for a given census division results in an amount that is greater than the national ground base rate, the FS portion of the base rate for that census division will be equal to a blend of the national rate and the regional rate. Payments for ground ambulance services under the Ambulance FS include the following elements:

- A nationally uniform base rate or conversion factor for all ground ambulance services;

- A numeric value for ambulance services relative to the value of a base level ambulance service called a relative value unit is assigned to each type of ground ambulance service;
- A geographic adjustment factor (GAF) for each Ambulance FS locality area (geographic practice cost index [GPCI]);
- A nationally uniform loaded mileage rate;
- An additional amount for certain mileage for a rural point-of-pickup (POP); and
- Additional payments for certain specified temporary periods.

### **Air Ambulance Services**

As of January 1, 2006, the total payment amount for air ambulance providers and suppliers is based on 100 percent of the national Ambulance FS. Payments for air



ambulance services under the Ambulance FS include the following elements:

- A nationally uniform base rate for fixed wing and a nationally uniform base rate for rotary wing;
- A GAF for each Ambulance FS locality area (GPCI);
- A nationally uniform loaded mileage rate for each type of air service; and
- A rural adjustment to the base rate and mileage for services furnished for a rural POP.

To find additional information about ambulance services and the Ambulance FS, visit <http://www.cms.hhs.gov/center/ambulance.asp> and <http://www.cms.hhs.gov/AmbulanceFeeSchedule> on the Centers for Medicare & Medicaid Services (CMS) website.



This fact sheet was prepared as a service to the public and is not intended to grant rights or impose obligations. This fact sheet may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations, and other interpretive materials for a full and accurate statement of their contents.

In Section 911 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) Congress mandated that the Secretary of the Department of Health and Human Services replace the current contracting authority under Title XVIII of the Social Security Act with the new Medicare Administrative Contractor (MAC) authority. This mandate is referred to as Medicare Contracting Reform. Medicare Contracting Reform is intended to improve Medicare's administrative services to beneficiaries and health care providers. All Medicare work performed by Fiscal Intermediaries and Carriers will be replaced by the new A/B MACs by 2011. Providers may access the most current MCR information to determine the impact of these changes and to view the list of current MACs for each jurisdiction at <http://www.cms.hhs.gov/MedicareContractingReform> on the CMS website.

The Medicare Learning Network (MLN) is the brand name for official CMS educational products and information for Medicare fee-for-service providers. For additional information visit the Medicare Learning Network's web page at <http://www.cms.hhs.gov/MLNGenInfo> on the CMS website.