



News Flash – Medicare Remit Easy Print (MREP) – Still using Standard Paper Remittance Advices (SPRs)? Did you know that with the new MREP software that is available to you (for free!), you can view and print as many or as few claims as needed? With the MREP software, you can navigate and view an Electronic Remittance Advice (ERA) using your personal computer. This is especially helpful when you need to print only one claim from the Remittance Advice (RA) when forwarding a claim to a secondary payer. CMS developed the MREP software to enable you to read and print the HIPAA-compliant ERA, also known as Transaction 835 or “the 835”. Contact your carrier, A/B MAC or DME MAC to find out more about MREP and/or for information on how to receive HIPAA compliant ERAs.

MLN Matters Number: MM5801

Related Change Request (CR) #: 5801

Related CR Release Date: November 9, 2007

Effective Date: January 1, 2008

Related CR Transmittal #: R1375CP

Implementation Date: January 7, 2008

Ambulance Inflation Factor for CY 2008

Provider Types Affected

Providers and suppliers of ambulance services who bill Medicare carriers, fiscal intermediaries (FIs), or Part A/B Medicare Administrative Contractors (A/B MACs) for those services

What You Need to Know

CR 5801, from which this article is taken provides the Ambulance Inflation Factor (AIF) for Calendar Year (CY) 2008. The AIF for CY 2008 is 2.7%.

Background

Section 1834(l) (3) (B) of the Social Security Act (the Act) provides the basis for updating payment limits that carriers, FIs, and A/B MACs use to determine how much to pay you for the claims that you submit for ambulance services.

Specifically, this section of the Act provides for a 2008 payment update that is equal to the percentage increase in the urban consumer price index (CPI-U), for

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the 12-month period ending with June of the previous year. The resulting percentage is referred to as the ambulance inflation factor (AIF).

CR 5801, from which this article is taken furnishes the CY 2008 AIF, which will be 2.7%. The following table displays the AIF for CY 2008 and for the previous 5 years.

Ambulance Inflation Factor by CY	
2008	2.7%
2007	4.3%
2006	2.5%
2005	3.3%
2004	2.1%
2003	1.1%

The national fee schedule for ambulance services was phased in over a five-year transition period beginning April 1, 2002. Further, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA) 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."

Payment will not be less than this "floor," which is determined by establishing nine fee schedules (one for each of the nine census divisions) and then using the same methodology that was used to establish the national fee schedule.

Some key issues related to the AIF include:

National or Regional Fee Schedules

Either the national fee schedule or regional fee schedule applies for all providers and suppliers in the census division, depending on the payment amount that the regional methodology yields. The national fee schedule amount applies when the regional fee schedule methodology results in an amount (for a given census division) that is lower than the national ground base rate. Conversely, the regional fee schedule applies when its methodology results in an amount (for the census division) that is greater than the national ground base rate. When the regional fee schedule is used, that census division's fee schedule portion of the base rate is equal to a blend of the national rate and the regional rate.

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Payments Based on Blended Methodology

During the five-year transition period, your payments have been based on a blended methodology. For CY 2008, this blend is 20% regional ground base rate and 80% national ground base rate.

Before January 1, 2006, for each ambulance provider or supplier, the AIF was applied to both the fee schedule portion of the blended payment amount (both national and regional (if it applied)), and to the reasonable cost or charge portion of the blended payment amount. Then, these two amounts were added together to determine each provider or supplier's total payment amount.

As of January 1, 2006, the total payment amount for air ambulance providers and suppliers is based on 100% of the national ambulance fee schedule. As of January 1, 2008, the total payment amount for ground ambulance providers and suppliers is based on either 100% of the national ambulance fee schedule or 80% of the national ambulance fee schedule and 20% of the regional ambulance fee schedule, whichever is greater.

Part B Coinsurance and Deductible Requirements

Part B coinsurance and deductible requirements apply.

Additional Information

You can find more information about the 2008 ambulance inflation factor by going to CR 5801 located at <http://www.cms.hhs.gov/transmittals/downloads/R1375CP.pdf> on the Centers for Medicare & Medicaid (CMS) website. There you will find updated *Medicare Claims Processing Manual*, Chapter 15 (Ambulance), Section 20.6.1 (Ambulance Inflation Factor (AIF)) as an attachment to that CR.

If you have any questions, please contact your Medicare carrier, FI, or A/B MAC at their toll-free number, which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

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