
CMS Manual System

Pub. 100-08 Medicare Program Integrity

Transmittal 102

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Date: FEBRUARY 1, 2005

CHANGE REQUEST 3571

NOTE: Transmittal 93, dated January 14, 2005 is rescinded and replaced with Transmittal 102, dated February 1, 2005. This is a correction to Change Request (CR) 3571, Transmittal 93 to clarify that this CR applies to both Fiscal Intermediaries and Carriers. All other information remains the same.

SUBJECT: Medical Review of Rural Air Ambulance Services

I. SUMMARY OF CHANGES: New instructions for fiscal intermediaries and carriers when performing medical review of rural air ambulance services.

NEW MATERIAL - EFFECTIVE DATE: January 1, 2005

IMPLEMENTATION DATE: February 14, 2005

Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. 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 not updated.)
(R = REVISED, N = NEW, D = DELETED) – (Only One Per Row.)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	6/Table of Contents
N	6/6.4/Medical Review of Rural Air Ambulance Services
N	6/6.4.1/“Reasonable” Requests
N	6/6.4.2/Emergency Medical Services (EMS) Protocols
N	6/6.4.3/Prohibited Air Ambulance Relationships
N	6/6.4.4/Reasonable and Necessary Services
N	6/6.4.5/Definition of Rural Air Ambulance Services

***III. FUNDING: Medicare contractors shall implement these instructions within their current operating budget.**

IV. ATTACHMENTS:

X	Business Requirements
X	Manual Instruction
	Confidential Requirements
	One-Time Notification
	Recurring Update Notification

***Medicare contractors only**

Attachment - Business Requirements

Pub. 100-08	Transmittal: 102	Date: February 1, 2005	Change Request 3571
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SUBJECT: Medical Review of Rural Air Ambulance Services

I. GENERAL INFORMATION

A. Background: New instructions for fiscal intermediaries and carriers when performing medical review of rural air ambulance services.

B. Policy: MMA Section 415.

C. Provider Education: A Medlearn Matters provider education article related to this instruction will be available at www.cms.hhs.gov/medlearn/matters shortly after the CR is released. You will receive notification of the article release via the established “medlearn 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 must be included in your next regularly scheduled bulletin. Contractors are free to supplement Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
3571.1	When data analysis indicates, a contractor should perform medical review of rural air ambulance claims if there are questions as to whether the decision to transport was reasonably made, whether the transport was made pursuant to an approved protocol, or whether the transport was inconsistent with an approved protocol.	X		X						
3571.2	Notify air ambulance providers that the reasonable and necessary requirement for rural air transport shall be deemed to be met when such services are requested by a physician or other qualified medical personnel who reasonably determine or certify that the individual's condition is such that the time to transport by land poses a threat to the individual's survival or endangers their health; or the service is provided pursuant to an established State or regional emergency medical services agency protocol that has been approved by the Secretary.	X		X						
3571.3	Notify air ambulance providers that anticipate rural air ambulance transports pursuant to such a protocol, to submit the written protocol to the contractor for review and approval in advance.	X		X						
3571.4	Notify the provider of all protocol review decisions within 30 days of receipt of the protocol.	X		X						

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CBF	
3571.5	When performing medical review of rural air ambulance claims, determine that a physician or other qualified personnel made a reasonable determination that transport was necessary.	X		X						
3571.6	Do not apply “deemed” reasonable and necessary determination if there is a financial or employment relationship between the person requesting the air ambulance service and the entity furnishing the service; an entity under common ownership with the entity furnishing the service; or a financial relationship between an immediate family member of the person requesting the service and the entity furnishing the service.	X		X						
3571.7	When data analysis indicates, perform medical review of rural air ambulance claims in instances where there is a financial or employment relationship between the person requesting an air ambulance transport and the person providing the service.	X		X						
3571.8	The contractor shall provide instructions on their Web site for the submission of a rural air ambulance protocol(s) for review and approval. Include the postal address for paper submissions, electronic address for electronic submissions, contact person at the contractor and his/her telephone number. Also, provide information on the expected response time by the contractor and how the provider will be notified of the review results.	X		X						

III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

IV. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date*: January 1, 2005</p> <p>Implementation Date: February 14, 2005</p> <p>Pre-Implementation Contact(s): Peggye Wilkerson at PWillkerson@cms.hhs.gov</p> <p>Post-Implementation Contact(s): Peggye Wilkerson 410-786-4857 or PWillkerson@cms.hhs.gov</p>	<p>Medicare contractors shall implement these instructions within their current operating budgets.</p>
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***Unless otherwise specified, the effective date is the date of service.**

Medicare Program Integrity Manual

Chapter 6 - Intermediary MR Guidelines for Specific Services

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(Rev.102, 02-01-05)

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 - 6.4.4 – Reasonable and Necessary Services*
 - 6.4.5 – Definition of Rural Air Ambulance Services*
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6.4 - Medical Review of Rural Air Ambulance Services

(Rev. 102, Issued: 02-01-05, Effective: 01-01-05, Implementation: 02-14-05)

6.4.1 – “Reasonable” Requests

(Rev. 102, Issued: 02-01-05, Effective: 01-01-05, Implementation: 02-14-05)

Payment for rural air ambulance services is appropriate only when the request for transport was made by a physician or other qualified medical personnel who reasonably determined or certified that the individual’s condition required air transport due to time or geographical factors. The following should be considered to be personnel qualified to order air ambulance services:

- *Physician,*
- *Registered nurse practitioner (from the transferring hospital),*
- *Physician’s assistant (from transferring hospital),*
- *Paramedic or EMT (at the scene), and*
- *Trained first responder (at the scene).*

6.4.2 – Emergency Medical Services (EMS) Protocols

(Rev. 102, Issued: 02-01-05, Effective: 01-01-05, Implementation: 02-14-05)

Per Section 415 of the Medicare Modernization act of 2003, the reasonable and necessary requirement for rural air transport may be “deemed” to be met when the service is provided pursuant to an established State or regional emergency medical services (EMS) agency protocol. CMS defines “established” to mean those protocols, which have been reviewed and approved by State EMS agencies or have been developed according to State EMS umbrella guidelines. Additionally, the protocol must be recognized or approved by the Secretary.

The information on the Web site must inform rural air ambulance providers that if they anticipate transport based upon the contents of such a protocol (either State or regional) they must submit that protocol in advance to the fiscal intermediaries or carriers for review and approval. Include instructions on the Web site for submitting the protocol. The contractor will review the protocol to ensure that the contents are consistent with statutory requirements at 1862(a)(1)(A), which direct that all services paid for by Medicare must be reasonable and necessary for the diagnosis or treatment of an illness or injury. The contractor shall make a determination regarding the protocol and/or subsequent revisions and notify the rural air ambulance provider of their determination within 30 days of receipt of the protocol.

Approval of a protocol does not exempt the provider from requirements in the Act at 1861(s)(7) and regulatory requirements at 42 CFR 424.106 which outlines the criteria

for determining whether the hospital was the most accessible. Regardless of protocol instructions regarding transport locations Medicare payment can be made only to the closest facility capable of providing the care needed by the beneficiary.

6.4.3 – Prohibited Air Ambulance Relationships

(Rev. 102, Issued: 02-01-05, Effective: 01-01-05, Implementation: 02-14-05)

Do not apply the “deemed” reasonable and necessary determination if there is a financial or employment relationship between the person requesting the air ambulance service and the entity furnishing the service; an entity under common ownership with the entity furnishing the service; or a financial relationship between an immediate family member of the person requesting the service and the entity furnishing the service. Only one exception is available for this provision. When the referring hospital and the entity furnishing the air ambulance services are under common ownership, the above limitation does not apply to remuneration by the hospital for provider based physician services furnished in a hospital, reimbursed under Part A and the amount of the remuneration is unrelated directly or indirectly to the provision of air ambulance services.

6.4.4 – Reasonable and Necessary Services

(Rev. 102, Issued: 02-01-05, Effective: 01-01-05, Implementation: 02-14-05)

When data analysis indicates, fiscal intermediaries or carriers may perform medical review of rural air ambulance claims in those instances noted in the above paragraph where there is financial or employment relationship between the person requesting an air ambulance transport and the person providing the service. The fiscal intermediaries or Carriers may also conduct medical review of rural air ambulance claims with “deemed” medical necessity status when there are questions as to whether the decision to transport was “reasonably” made; questions as to whether the transport was made pursuant to a protocol which has been approved by the Secretary; or questions as to whether the transport was inconsistent with an approved protocol.

6.4.5 – Definition of Rural Air Ambulance Services

(Rev. 102, Issued: 02-01-05, Effective: 01-01-05, Implementation: 02-14-05)

*For purposes of this section the term “rural air ambulance service” means fixed wing and rotary wing air ambulance service in which the point of pick up of the individual occurs in a rural area (as defined in [Section 1886\(d\)\(2\)\(D\)](#)) or in a rural census tract of a metropolitan statistical area (as determined under the most recent modification of the Goldsmith Modification, originally published in the **Federal Register** on February 27, 1992 (57 Fed. Reg. 6725).*