



Ambulance Inflation Factor for Calendar Year 2019 and Productivity Adjustment

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Related Change Request (CR) Number: 11031

Related CR Release Date: November 30, 2018

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Related CR Transmittal Number: R4172CP

Implementation Date: January 7, 2019

PROVIDER TYPES AFFECTED

This MLN Matters® Article is intended for ambulance providers and suppliers submitting claims to Medicare Administrative Contractors (MACs) for Medicare Part B ambulance services provided to Medicare beneficiaries.

PROVIDER ACTION NEEDED

CR 11031 furnishes the Calendar Year (CY) 2019 Ambulance Inflation Factor (AIF) for determining the payment limit for ambulance services. The AIF for CY 2019 is 2.3 percent. Make sure that your billing staffs are aware of this change.

BACKGROUND

Section 1834(l)(3)(B) of the Social Security Act provides the basis for an update to the payment limits for ambulance services 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. On March 23, 2010, the Affordable Care Act (Pub. L. 111-148) was enacted. Following the enactment of Pub. L. 111-148, the Health Care and Education Reconciliation Act of 2010, Pub. L. 111-152 (enacted on March 30, 2010), amended certain provisions of Pub. L. 111-148. These public laws are collectively known as the Affordable Care Act (ACA). Section 3401 of the ACA amended Section 1834(l)(3) of the Act to apply a productivity adjustment to this update equal to the 10-year moving average of changes in economy-wide private nonfarm business multi-factor productivity (MPF) beginning January 1, 2011. The resulting update percentage is referred to as the AIF.

Section 3401 of the ACA requires that specific Prospective Payment System (PPS) and Fee Schedule (FS) update factors be adjusted by changes in economy-wide productivity. The statute defines the productivity adjustment to be equal to the 10-year moving average of changes in annual economy-wide private nonfarm business MFP (as projected by the Secretary of Health and Human Services (the Secretary) for the 10-year period ending with the applicable fiscal

year, cost reporting period, or other annual period).

The MFP for CY 2019 is 0.6 percent and the CPI-U for 2019 is 2.9 percent. According to the ACA, the CPI-U is reduced by the MFP, even if this reduction results in a negative AIF update. Therefore, the AIF for CY 2019 is 2.3 percent.

The Part B coinsurance and deductible requirements apply to payments under the ambulance fee schedule.

ADDITIONAL INFORMATION

The official instruction, CR11031, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2018Downloads/R4172CP.pdf>.

If you have questions, your MACs may have more information. Find their website at <http://go.cms.gov/MAC-website-list>.

DOCUMENT HISTORY

Date of Change	Description
November 30, 2018	Initial article released.

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