

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 706	Date: May 21, 2010
	Change Request 6972

SUBJECT: Extension for the Two Percent and Three Percent Add-On for the Ground Ambulance, Air Ambulance in Rural Areas and "Super Rural" Add-On

I. SUMMARY OF CHANGES: Extension of Ambulance Add-Ons for Ambulance Services.

EFFECTIVE DATE: January 1, 2010

IMPLEMENTATION DATE: July 6, 2010

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. 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 is not updated)

R=REVISED, N=NEW, D=DELETED

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	

III. FUNDING:

For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:

No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the contracting officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the contracting officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

One-Time Notification

**Unless otherwise specified, the effective date is the date of service.*

Attachment – One Time Notification

Pub. 100-20	Transmittal: 706	Date: May 21, 2010	Change Request: 6972
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SUBJECT: Extension of the Two Percent and Three Percent Add-On for Ground Ambulance, Air Ambulance in Rural Areas and “Super Rural” Add-On

Effective Date: January 1, 2010

Implementation Date: July 6, 2010

I. GENERAL INFORMATION

A. Background: The Medicare Modernization Act of 2003 amended §1834(l) (13) (A) of the Social Security Act. This section provided increases in payment rates for covered ground ambulance transports which originated in a rural area in the amount of two (2) percent, and for covered ground ambulance transports which originated in a non-rural area by one (1) percent. This provision was effective for the period July 1, 2004 to January 1, 2007.

Section 146(a) of Medicare Improvements for Patients and Providers Act of 2008 (MIPAA) amended §1834(l) (13) (A) of the Social Security Act and provided for an increase in the ambulance fee schedule amounts for covered ground ambulance transports which originated in rural areas by 3 percent and for covered ground ambulance transports which originated in urban areas by 2 percent. These increases were only applicable for claims with dates of service July 1, 2008 through December 31, 2009; however, Sections 3105(a) and 10311(a) of the Patient Protection and Affordable Care Act (PPACA) of 2010 further amends Section 1834(l) (13) (A) of the Social Security Act to reinstate these provisions on or after January 1, 2010.

Further, Section 146(b) (1) of MIPAA amended the designation of rural areas for air ambulance services. The statute specified that any area that was designated as a rural area as of December 31, 2006, for purposes of making payments under the ambulance fee schedule for air ambulance services, should continue to be treated as a rural area for purposes of making air ambulance service payments under the ambulance fee schedule. This statute was also applicable for claims with dates of service July 1, 2008 through December 31, 2009; however Sections 3105(b) and 10311(b) of the PPACA of 2010 further amends Section 146(b) (1) of MIPAA to reinstate these provisions for claims with dates of service on or after January 1, 2010. Accordingly, for areas that were designated rural on December 31, 2006, and were subsequently re-designated as urban, CMS has re-established the “rural” indicator on the ZIP Code file for air ambulance services, effective January 1, 2010.

In addition, Section 414 of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA) specified that, for services furnished during the period July 1, 2004 through December 31, 2009, the payment amount for the ground ambulance base rate was increased where the ambulance transport originated in a rural area included in those areas comprising the lowest 25th percentile of all rural populations arrayed by population density. For this purpose, rural areas included Goldsmith areas (a type of rural census tract). Approximately half of all rural areas (rural counties plus Goldsmith areas) were required to include 25 percent of the rural population arrayed in order of population density. The amount of this increase was based on the Secretary’s estimate of the ratio of the average cost per trip for the rural areas comprised of the lowest quartile of population arrayed by density compared to the average cost per trip for the rural areas comprised of the highest quartile of population arrayed by density. CMS determined that the amount of this increase was equal to 22.6 percent. Sections 3105(c) and 10311(c) of the PPACA of 2010 further amended Section 1834(l) (12) (A) of the Social Security Act to reinstate this provision for claims with dates of service on or after January 1,

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
6972.6	Contractors shall download the July 2010 ZIP Code File and use such file to process ambulance claims in accordance with these instructions.	X		X	X		X				EDC
6972.7	Contractors shall begin to process ambulance claims using the files specified in 6972.1 and 6972.6.	X		X	X		X	X			
6972.8	Contractors shall adjust the ambulance fee schedule amounts for ground and air ambulance services for claims with dates of service on or after January 1, 2010 through December 31, 2010. These adjustments shall be used to process claims.	X		X	X						
6972.8.1	Contractors shall process air ambulance transport and mileage claims (i.e., A0430, A0431, A0435, A0436) with dates of service on or after January 1, 2010, using the Rural Indicator (position 15) and the Rural Indicator 2 (position 18) on the July 2010 ZIP Code file (and all subsequent quarterly releases of the ZIP Code file) to determine whether they are urban or rural. If either field contains a rural indicator, the rural payment amount is appropriate.	X		X	X		X	X			
6972.8.2	Contractors shall process ground ambulance transport and mileage claims (A0426, A0427, A0428, A0429, A0432, A0433, A0434, A0425) with dates of service on or after January 1, 2010, using the Rural Indicator field (position 15) on the July 2010 ZIP Code file (and all subsequent quarterly releases of the ZIP Code file) to determine whether they are urban or rural.	X		X	X		X	X			

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
6972.9	A provider education article related to this instruction will be available at http://www.cms.hhs.gov/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it	X		X	X						

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
	in a listserv message within 1 week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.										

IV. SUPPORTING INFORMATION

Section A: For any recommendation and supporting information associated with listed requirements, use the box below:

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
6972.10	CR 6214, Transmittal 387, CR 3099, Transmittal 220.

Section B: For all other recommendations and supporting information, use this space: N/A

V. CONTACTS

Pre-Implementation Contact(s): Roechel Kujawa on 410-786-9111 or e-mail at roechel.kujawa@cms.hhs.gov.

Post-Implementation Contact(s): Roechel Kujawa on 410-786-9111 or e-mail at roechel.kujawa@cms.hhs.gov; for ambulance related issues or Eric Coulson on 410-786-3352 or e-mail at eric.coulson@cms.hhs.gov; for claims processing related issues.

VI. FUNDING

Section A: For *Fiscal Intermediaries (FIs), Carriers, and Regional Home Health Intermediaries (RHHIs)*:

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Section B: For *Medicare Administrative Contractors (MACs)*:

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