CMS Manual System

Pub 100-04 Medicare Claims Processing

Transmittal 806

Department of Health & Human Services (DHHS)

Centers for Medicare & Medicaid Services (CMS)

Date: JANUARY 6, 2006

Change Request 4251

SUBJECT: Termination of Healthcare Common Procedure Coding System (HCPCS) Codes Payable During the Transition to the Ambulance Fee Schedule

I. SUMMARY OF CHANGES: This transmittal notifies contractors and the Common Working File (CWF) maintainer to terminate Healthcare Common Procedure Coding System (HCPCS) codes that are no longer payable.

NEW/REVISED MATERIAL
EFFECTIVE DATE: January 1, 2006
IMPLEMENTATION DATE: February 6, 2006

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 – *Only One Per Row.*

R/N/D	Chapter / Section / Subsection / Title

III. FUNDING:
No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2006 operating budgets.

IV. ATTACHMENTS:

One-Time Notification

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

Attachment – One-Time Notification

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SUBJECT: Termination of Healthcare Common Procedure Coding System (HCPCS) Codes Payable during the Transition to the Ambulance Fee Schedule

I. GENERAL INFORMATION

A. Background:

On April 1, 2002, the Centers for Medicare and Medicaid Services (CMS) implemented a fee schedule that applies to all ambulance services, including volunteer, municipal, private, independent, and institutional providers, i.e., hospitals, critical access hospitals, and skilled nursing facilities. The fee schedule is effective for claims with dates of service on or after April 1, 2002. Under the fee schedule, ambulance services covered under Medicare are paid based on the lower of the actual billed amount or the Ambulance Fee Schedule amount.

As discussed in previously issued instructions, the fee schedule was phased in over a 5-year period. Effective January 1, 2006, the fee schedule will be fully implemented and will replace the current retrospective reasonable cost reimbursement for providers and the reasonable charge system for ambulance suppliers.

During the transition period, we have allowed ambulance suppliers that were previously permitted to bill separately for medically necessary supplies and ancillary services furnished incident to the ambulance transport to continue to do so until the full implementation of the Ambulance Fee Schedule. Such items and services included, but were not limited to drugs, supplies, waiting time, extra attendants, EKG testing, and ambulance differential charges – but only when such items and services were both medically necessary and covered by Medicare under the ambulance benefit.

In addition, we established two new temporary codes for ambulance services, for use during the transition period only, to allow the Basic Life Support level of payment when an Advance Life Support (ALS) vehicle was used for an emergency or nonemergency transport, but no ALS level service was furnished.

Although we have notified the contractors in previous instructions that temporary HCPCS codes Q3019 and Q3020, and HCPCS code A0800 (ambulance night differential charges) may only be used during the transition period, this instruction notifies the contractors and the Common Working File (CWF) maintainer to terminate these codes as of December 31, 2005, to ensure that payment for these services may not be made as of January 1, 2006, when the full fee schedule goes into effect.

B. Policy:

The contractors and the CWF maintainer shall update their systems to terminate HCPCS codes Q3019, Q3020, and A0800 as of December 31, 2005. These codes appear as valid on the HCPCS file, but will be updated to reflect this change in a future release.

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	
4251.1	The carriers and the CWF maintainer shall update their systems to terminate HCPCS codes Q3019, Q3020, and A0800 as of December 31, 2005.			X					X	
4251.2	Intermediaries shall update the FISS HCPCS file to terminate codes Q3019 and Q3020 effective December 31, 2005.	X								
4251.2.1	Intermediaries shall return to provider (RTP) claims with dates of service on or after January 1, 2006 containing HCPCS codes Q3019 or Q3020.	X								
4251.3	Carriers shall return as unprocessable claims with dates of service on or after January 1, 2006 containing HCPCS codes Q3019, Q3020, or A0800.			X						

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
	None.									

IV. 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

V. SCHEDULE, CONTACTS, AND FUNDING

Effective Date*: January 1, 2006 **Implementation Date:** February 6, 2006 **Pre-Implementation Contact(s):** Susan Webster (carrier), (410) 786-3384, susan.webster@cms.hhs.gov Valeri Ritter (intermediary), (410) 786-8652 valeri.ritter@cms.hhs.gov **Post-Implementation Contact(s):** Contact the appropriate Regional Office.	**No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.**

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