



Medicare
Learning
Network

**PAYMENT
SYSTEM
FACT SHEET
SERIES**

**Ambulance
Fee Schedule**

CMS
CENTERS for MEDICARE & MEDICAID SERVICES

Section 4531(b)(2) of the Balanced Budget Act of 1997 added Section 1834(I) to the Social Security Act (the Act), which mandated the implementation of a national **Ambulance Fee Schedule (FS)** effective for Medicare Part B ambulance services claims with dates of service on or after April 1, 2002. Section 1834(I) of the Act also required mandatory assignment for all ambulance services, which means that the provider or supplier will be paid the Medicare allowed amount as payment in full for his or her services. In addition, providers and suppliers may bill or collect only any unmet Medicare Part B deductible and coinsurance amounts from beneficiaries.



The Ambulance FS applies to all ambulance services including the following providers:

- Volunteer;
- Municipal;
- Private;
- Independent; and
- Institutional (i.e., hospitals, Critical Access Hospitals [CAH] with the exception of CAHs that are the only ambulance service within 35 miles, and Skilled Nursing Facilities).

Payment for ambulance services under the FS:

- Includes a base rate payment plus a separate payment for mileage;
- Covers both the transport of the beneficiary to the nearest appropriate facility and all medically necessary covered items and services (e.g., oxygen, drugs, extra attendants, and electrocardiogram testing) associated with the transport; and
- Precludes a separate payment for items and services furnished under the ambulance benefit.

HOW PAYMENT RATES ARE SET

Effective January 1, 2006, the Ambulance FS was fully implemented. Each year, payments are updated based on a 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 called the Ambulance Inflation Factor (AIF). Since the CPI-U for calendar year (CY) 2010 is a negative number (-1.4 percent) and the Act



specifically provides for a percentage increase in the AIF only, the resulting AIF for CY 2010 will be held to zero (0) percent.

Ground Ambulance Services

Effective January 1, 2010, the total payment amount for ground ambulance providers and suppliers is based on 100 percent of the national Ambulance FS. Payments for ground ambulance services under the Ambulance FS include the following elements:

- A nationally uniform base rate or conversion factor for all ground ambulance services;
- A numeric value for ambulance services relative to the value of a base level ambulance service called a relative value unit is assigned to each type of ground ambulance service;
- A geographic adjustment factor (GAF) for each Ambulance FS locality area (geographic practice cost index [GPCI]);

- A nationally uniform loaded mileage rate;
- An additional amount for certain mileage for a rural point-of-pickup (POP); and
- Additional payments for certain specified temporary periods.

Air Ambulance Services

As of January 1, 2006, the total payment amount for air ambulance providers and suppliers is based on 100 percent of the national Ambulance FS. Payments for air ambulance services under the Ambulance FS include the following elements:

- A nationally uniform base rate for fixed wing and a nationally uniform base rate for rotary wing;
- A GAF for each Ambulance FS locality area (GPCI);



- A nationally uniform loaded mileage rate for each type of air service; and
- A rural adjustment to the base rate and mileage for services furnished for a rural POP.

To find additional information about ambulance services and the Ambulance FS, visit <http://www.cms.hhs.gov/center/ambulance.asp> and <http://www.cms.hhs.gov/AmbulanceFeeSchedule> on the Centers for Medicare & Medicaid Services (CMS) website.



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