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# CMS Manual System

## Pub. 100-04 Medicare Claims Processing

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

Transmittal 56

Date: DECEMBER 24, 2003

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CHANGE REQUEST 3000

**I. SUMMARY OF CHANGES:** Provides Ambulance Inflation Factor (AIF) for CY 2004 including the 2004 AIF for determining the payment limit for ambulance services required by §1834(l) of the Social Security Act (the Act), the blending percentages applicable to CY 2004, and the address of the ambulance fee schedule file for CY 2004.

**NEW MATERIAL - EFFECTIVE DATE: January 1, 2004**

**\*IMPLEMENTATION DATE: January 5, 2004**

*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.*

**II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual not updated.)**

**(R = REVISED, N = NEW, D = DELETED – (Only One Per Row.)**

<b>R/N/D</b>	<b>CHAPTER/SECTION/SUBSECTION/TITLE</b>
<b>R</b>	15 – Table of Contents
<b>N</b>	15/ 20/ 20.6.1 - Ambulance Inflation Factor

**\*III. FUNDING:**

**These instructions should be implemented within your current operating budget.**

**IV. ATTACHMENTS:**

<b>X</b>	<b>Business Requirements</b>
<b>X</b>	<b>Manual Instruction</b>
	<b>Confidential Requirements</b>
	<b>One-Time Notification</b>

**\*Medicare contractors only**

# Business Requirements

Pub. 100-04	Transmittal: 56	Date: December 24, 2003	Change Request: 3000
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**SUBJECT:** Ambulance Inflation Factor (AIF)

## I. GENERAL INFORMATION

### A. Background:

This document furnishes you with the 2004 ambulance inflation factor (AIF) for determining the payment limit for ambulance services required by §1834(l) of the Social Security Act (the Act).

### B. Policy:

This transmittal manualizes the AIF so that Medicare contractors can accurately determine payment amounts for ambulance services.

### C. Provider Education:

Intermediaries and/or carriers shall inform affected providers by posting either a summary or relevant portions of this document on their Web site within 2 weeks. Also, intermediaries and/or carriers shall publish this same information in their next regularly scheduled bulletin. If they have a listserv that targets affected providers, they shall use it to notify subscribers that information about the AIF is available on their Web site.

## II. BUSINESS REQUIREMENTS

Requirement #	Requirements	Responsibility
CMS Manual System Pub. 100-04 Medicare Claims Processing Chapter 15 Section 20.6.1	Contractors must use the 2004 AIF for determining the payment limit on claims for ambulance services furnished on or after January 1, 2004.	All contractors with Medicare ambulance service claims.

## III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

### A. Other Instructions:

X-Ref Requirement #	Instructions
	N/A

**B. Design Considerations:**

<b>X-Ref Requirement #</b>	<b>Recommendation for Medicare System Requirements</b>
	N/A

**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**

<b>Effective Date:</b> January 1, 2004 <b>Implementation Date:</b> January 5, 2004 <b>Pre-Implementation Contact(s):</b> Anne Tayloe, (410)786-4546 <b>Post-Implementation Contact(s):</b> Anne Tayloe, (410)786-4546	These instructions should be implemented within your current operating budget.
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# Medicare Claims Processing Manual

## Chapter 15 - Ambulance

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### Table of Contents

*(Rev. 56, 12-24-03)*

#### [Crosswalk to Old Manuals](#)

#### 10 - General Coverage and Payment Policies

10.1 - Assignment

10.2 - Billing Methods

10.3 - Definitions

10.4 – Inherent Reasonableness (IR) Provisions for Ambulance

#### 20 - Carrier Calculation of Payment Amount

20.1 - Implementation of the Fee Schedule

20.1.1 - General

20.1.2 - Jurisdiction

20.1.3 - Services Provided

20.1.4 - Components of the Ambulance Fee Schedule

20.1.5 - ZIP Code Determines Fee Schedule Amounts

20.1.6 - Transition Overview

20.2 - Determining the Reasonable Charge Base Rate Allowance for Ambulance Services

20.3 - Effect of Separate Charges for Covered Specialized ALS Services on Reasonable Charges for Ambulance Services

20.4 - Payment for Mileage Charges

20.5 - Air Ambulance

20.5.1 - Air Ambulance for Deceased Beneficiary

20.6 - Update Charges

*20.6.1 - Ambulance Inflation Factor (AIF)*

20.7 - Joint Responses

20.8 - Other Unusual Circumstances

- 20.9 - Single Ambulance Where Multiple Patients Are on Board
- 20.10 - Waiting Time Charges Made by Ambulance Companies
  - 20.10.1 - Requirements for Approval of Waiting Time
- 20.11 – Documentation Requirements
- 30 - General Billing Guidelines - Intermediaries and Carriers
  - 30.1 - Carrier Guidelines
    - 30.1.1 - Carrier Coding Requirements for Suppliers
    - 30.1.2 - Coding Instructions for Form CMS-1500
    - 30.1.3 - Coding Instructions for Form CMS-1491
  - 30.2 - Intermediary Guidelines
    - 30.2.1 - Provider/Intermediary Bill Processing Guidelines Effective April 1, 2002, as a Result of Fee Schedule Implementation
    - 30.2.2 - Payment Rules for Intermediaries During Fee Schedule Transition
    - 30.2.3 - SNF Billing
- 40 - Provider Ambulance Services Under Arrangements (Provider Billing)
- 50 - Carrier Disclosure to Suppliers

## **20.6.1 – Ambulance Inflation Factor (AIF)**

**(Rev 56, 12-24-03)**

*Section 1834(l)(3)(A) of the Act provides the basis for updating payment limits for ambulance services. Specifically, this section provides for an update in payments for 2004 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. The resulting percentage is referred to as the AIF.*

*During the transition period, the AIF is applied to both the fee schedule portion of the blended payment amount (incorporated in the ambulance fee schedule file), and to the reasonable charge/cost portion of the blended payment amount separately for each ambulance provider/supplier. Then, these two amounts are added together to determine the total payment amount for each provider/supplier. The blending percentages used to combine these two components of the payment amounts for ambulance services for CY 2004 are 40 percent of the reasonable charge/cost and 60 percent of the ambulance fee schedule.*

*The AIF for calendar year 2004 is **2.1 percent**. The blending percentages used to combine the two components of the payment amounts for ambulance services for CY 2004 are **40 percent** of the reasonable charge/cost and **60 percent** of the ambulance fee schedule. Part B coinsurance and deductible requirements apply. The 2004 ambulance fee schedule file may be retrieved at any time and will reside indefinitely for your access. It will be updated with each quarterly Common Working File (CWF) update. The address for the file is as follows:*

*MU00.@AAA2390.AMBFS.FINAL.V32*