
Program Memorandum Intermediaries

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

Transmittal A-02-004

Date: JANUARY 22, 2002

CHANGE REQUEST 1951

SUBJECT: Critical Access Hospitals (CAH) Exempt From the Ambulance Fee Schedule

Section 205 of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act (BIPA) of 2000, exempts certain CAHs from the current ambulance cost per trip payment limit as well as from the ambulance fee schedule. Section 205(a) of BIPA states:

The Secretary shall pay the reasonable costs incurred in furnishing ambulance services if such services are furnished (A) by a CAH (as defined in §1861 (mm)(1)), or (B) by an entity that is owned and operated by a CAH, but only if the CAH or entity is the only provider or supplier of ambulance services that is located within a 35-mile drive of such CAH.

This provision is effective for ambulance services furnished on or after December 21, 2000.

Payment Requirements

Ambulance services furnished on or after December 21, 2000, by eligible CAHs will be paid on a reasonable cost basis. Eligible CAHs will continue to be paid based on reasonable cost after implementation of the ambulance fee schedule.

NOTE: CAHs that are not exempt will be paid based on the ambulance fee schedule.

Part B deductible and coinsurance apply.

Billing Requirements

Follow the general bill review instructions in §3604 of the Medicare Intermediary Manual, Part 3. The provider bills you on Form CMS-1450 or electronic equivalent. Do not reopen and reprocess any claims that have not been brought to your attention.

Applicable Type of Bill

The appropriate type of bill is 85X.

Coding Requirements

For claims with dates of service on or after December 21, 2000, *CAHs that meet this criteria and are exempt* must report, using existing billing instructions for ambulance services condition code B2 (Critical Access Hospital Ambulance Attestation) in Form Locator (FLs) 24-30, "Condition Codes".

CAHs that are not exempt may not report condition code B2.

Provider Education

Notify your providers of this Program Memorandum (PM) by posting on your Web site bulletin board and by inclusion in the next bulletin or newsletter.

The *effective date* for this PM is December 21, 2000.

The *implementation date* for this PM is July 1, 2002.

These instructions should be implemented within your current operating budget.

This PM may be discarded after June 30, 2003.

If you have any questions contact Nicole Atkins at (410) 786-2878.