

Program Memorandum Intermediaries/Carriers

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

Transmittal AB-02-031

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CHANGE REQUEST 1961

SUBJECT: Payment Policy for Air Ambulance Transportation of Deceased Beneficiary

Scope

This Program Memorandum (PM) states payment policy and claims processing instructions for an air ambulance service where the beneficiary is pronounced dead before the pickup. The policy is contingent on the medical necessity of the air ambulance transport.

Background

The final regulation to establish an ambulance fee schedule contains a provision authorizing partial payment for an air ambulance service when an air ambulance takes off to pick up a beneficiary, but the beneficiary is pronounced dead before the pickup can be made.

Medicare has a longstanding policy to allow partial payment for an ambulance service where the ambulance begins its trip to pick up the beneficiary, but the beneficiary is pronounced dead before the pickup can be made. This policy did not explicitly state the air ambulance service was included in this policy. The implementation of an ambulance fee schedule requires clarification regarding how this policy will be implemented under the fee schedule.

Policy

Medicare allows payment for an air ambulance service when the air ambulance takes off to pick up a Medicare beneficiary, but the beneficiary is pronounced dead before being loaded onto the ambulance for transport (either before or after the ambulance arrives on the scene). This is provided the air ambulance service would otherwise have been medically necessary. In such a circumstance, the allowed amount is the appropriate air base rate, i.e., fixed wing or rotary wing. However, no amount shall be allowed for mileage or for a rural adjustment that would have been allowed had the transport of a living beneficiary or of a beneficiary not yet pronounced dead been completed.

For the purpose of this policy, a pronouncement of death is effective only when made by an individual authorized under State law to make such pronouncements.

This policy also states no amount shall be allowed if the dispatcher received pronouncement of death and had a reasonable opportunity to notify the pilot to abort the flight. Further, no amount shall be allowed if the aircraft has merely taxied but not taken off or, at a controlled airport, has been cleared to take off but not actually taken off.

Implementation (Carriers)

Suppliers must use the modifier QL (Patient pronounced dead after ambulance called) to indicate the circumstance when an air ambulance takes off to pick up a beneficiary but the beneficiary is pronounced dead before the pickup can be made.

The supplier must submit documentation with the claim sufficient to show that:

- a) The air ambulance was dispatched to pick up a Medicare beneficiary;
- b) The aircraft actually took off to make the pickup;
- c) The beneficiary to whom the dispatch relates was pronounced dead before being loaded onto the ambulance for transport;
- d) The pronouncement of death was made by an individual authorized by State law to make such pronouncements; and
- e) The dispatcher did not receive notice of such pronouncement in sufficient time to permit the flight to be aborted before take off.

Allow the appropriate air base rate (fixed wing or rotary wing, as applicable) for a claim for an air ambulance service that meets the requirements of this instruction. Do not allow mileage or make a rural adjustment. During the fee schedule transition, allow an amount based on a blended rate.

Billing Requirements (Intermediaries)

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

The provider must submit documentation with the claim sufficient to show that:

- a) The air ambulance was dispatched to pick up a Medicare beneficiary;
- b) The aircraft actually took off to make the pickup;
- c) The beneficiary to whom the dispatch relates was pronounced dead before being loaded onto the ambulance for transport;
- d) The pronouncement of death was made by an individual authorized by State law to make such pronouncements; and
- e) The dispatcher did not receive notice of such pronouncement in sufficient time to permit the flight to be aborted before take off.

Allow the appropriate air base rate (fixed wing or rotary wing, as applicable) for a claim for an air ambulance service that meets the requirements of this instruction. Do not allow mileage or make a rural adjustment. During the fee schedule transition, allow an amount based on a blended rate.

Applicable Types of Bills (Intermediaries)

The appropriate types of bills are 12X,13X, 22X, 23X, 32X, 33X, 34X, 83X and 85X.

Coding Requirements (Intermediaries)

For claims with dates of service on or after July 1, 2002, when a beneficiary is pronounced dead after an ambulance (ground or air) is called but before the ambulance arrives, providers must use current ambulance billing instructions and report modifier QL (Patient pronounced dead after ambulance called) in Form Locator (FL) 44, "HCPCS/Rates" instead of the origin and destination modifier. In addition to the QL modifier, providers must continue to report one of the following modifiers with every HCPCS code to describe whether the service was provided under arrangement or directly:

- QM: Ambulance service provided under arrangement by a provider of services; or
- QN: Ambulance service furnished directly by a provider of services.

Provider Education

Update your website upon receipt of this PM to include this policy.

Inform providers of this policy in the next scheduled newsletter.

For carriers the *effective date* for this PM is March 7, 2002.

For intermediaries the *effective date* for this PM is July 1, 2002.

For carriers the *implementation date* for this PM is March 7, 2002.

For intermediaries 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 July 1, 2003.

If you have any questions, contact the following individuals:

Payment policy: Glenn McGuirk at 410-786-5723 or gmcguirk@cms.hhs.gov
Carrier claims processing: Dolores Crujeiras at 410-786-7169 or dcrujeiras@cms.hhs.gov
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