Medicare B Update!
A Newsletter for Florida Medicare Part B Providers

Special Issue

Implementation of the Ambulance Fee Schedule

Effective for dates of service on or after April 1, 2002, the National Ambulance Fee Schedule was implemented by Medicare contractors. The information that follows is based on the Centers for Medicare & Medicaid Services' (CMS) Program Memoranda (PM) AB-01-165 (Change Request or CR 1555), AB-02-031 (CR 1961), and AB-02-036 (CR 2047). PM AB-01-165 updates AB-00-88 (CR 1281), AB-00-118 (CR 1461), and AB-00-131 (CR 1476).

Mandatory Assignment

Mandatory assignment is effective for all ambulance claims (specialty 59) for dates of service on or after April 1, 2002.

- If a claim is submitted as unassigned, contractors will convert the claim to assigned.
- If a claim is submitted as unassigned and has some dates of service prior to April 1, 2002, and other dates of service on or after that date, contractors will split the claim and convert the portion with dates of service on or after April 1, 2002 to assigned.

Payment Determination

Effective for services furnished on or after April 1, 2002, payment will be based on the category of service required by the condition of the beneficiary. The only exception to this policy is when advanced life support (ALS) transport is dispatched, but only basic life support (BLS) services are ultimately provided.

An emergency category of service is appropriate *only* when there is an immediate response to a 911-type call.

Transition Fee Schedule Methodology

The transition implementation period to the full fee schedule is as follows:

Date	Reasonable Charge/Cost Percent	Fee Schedule Percent
04/01/02 – 12/31/02	80	20

CMS will provide the remaining transition schedule in a future transmittal.

Point of Pickup ZIP Code Determines Fee Schedule Amounts

The point of pickup determines the basis for payment under the fee schedule and the point of pickup is reported by its five-digit ZIP code. Thus, the ZIP code of the point of pickup determines both the applicable locality fee schedule amount, and whether a rural adjustment applies. If the ambulance transport required a second or subsequent leg, then the ZIP code of the point of pickup of the second or subsequent leg determines both the applicable fee for such leg and whether a rural adjustment applies.

Accordingly, the ZIP code of the point of pickup *must* be reported on every claim to determine both the correct fee schedule amount and, if applicable, any rural adjustment.

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The *Medicare B Update!* should be shared with all health care practitioners and managerial members of the provider/supplier staff. Publications issued after January 1997 are available at no cost from our provider Web site, **www.floridamedicare.com.**

Routing Suggestions:

- Physician/Provider
- Office Manager
- Billing/Vendor
- Nursing Staff
- Other

New HCPCS Code for Ground Mileage

Effective for dates of service on or after April 1, 2002, suppliers and providers *must* use Healthcare Common Procedure Coding System (HCPCS) code A0425 for ALS *and* BLS ground mileage. **HCPCS codes A0380 and A0390 are invalid for dates of service on or after April 1, 2002.** Claims submitted with these codes will be returned as unprocessable.

A reasonable charge is established for blended payment during the transition period for code A0425 using a simple average (not a weighted average) of the 2001 reasonable charge allowances for codes A0380 and A0390 and was updated with the 2002 ambulance inflation factor of 1.2 percent.

Payment for Rural Ground Mileage

Section 221 of the Benefits Improvement Protection Act (BIPA) of 2000 requires higher payment for additional rural ground miles. Payment is adjusted for ambulance services that are furnished in rural areas to account for the higher costs per trip that are typical of rural operations where fewer trips are made in any given period. The fee schedule amounts for rural ambulance ground mileage are calculated as follows:

- For rural miles 1-17, the rate for rural ground mileage is 1.5 times the urban ground rate per mile,
- For rural miles 18-50, the rural rate is 1.25 times the urban rate, and
- Urban *and* rural ground miles greater than 50 will be reimbursed at the urban mileage rate per mile.

> **Note**: suppliers should not separate mileage into 1-17, 18-50, and greater than 50 components on claims submitted to Medicare. Mileage calculations are done systematically by the carriers.

For the purpose of all categories of ground ambulance services (except paramedic intercept), a rural area is defined as a U.S. Postal Service ZIP code that is located, in whole or in part, outside of either a Metropolitan Statistical Area (MSA) or a New England County Metropolitan Area (NECMA), or is an area wholly within an MSA or NECMA that has been identified as rural under the "Goldsmith modification."

The Goldsmith modification establishes an operational definition of rural areas within large counties that contain one or more metropolitan areas. The Goldsmith areas are so isolated by distance or physical features that they are more rural than urban in character and lack easy geographic access to health services.

Lists of rural counties and designated eligible ZIP codes in metropolitan counties may be found at the Office of Rural Health Policy's Web site at **www.ruralhealth.hrsa.gov/ruralcol.htm**.

Payment for Rural Air Mileage Fee Schedule Amount

Rural air mileage remains 1.5 times the urban air mileage rate per mile for all rural air miles.

Point of Pickup ZIP Code for Emergency Pickup Outside of the United States

For points of pickup outside of the United States or in United States territorial waters, suppliers and providers should report the point of pickup ZIP code according to the following:

- For ground or air transport outside of the United States to a drop off outside of the United states (in Canada or Mexico), the point of pickup ZIP code is the closest United state ZIP code to the point of pickup.
- For water transport from the territorial waters of the United States to the United States, the point of pickup ZIP code is the ZIP code of the port of entry.
- For ground transport from Canada and Mexico to the United States, the point of pickup ZIP code is the ZIP code at the United states border at the point of entry into the United states.
- For air transport from areas outside of the United States to the United States, the point of pickup ZIP code is the ZIP code at the United States border at the point of crossing.

For coverage and limitations for ambulance services furnished in connection with foreign inpatient hospital services, refer to the Medicare Intermediary Manual (MIM) section 3698.4, the Medicare Carriers Manual (MCM) section 2312, and 42 Code of Federal Regulations (CFR) section 411.9.

Payment for Air Ambulance Transportation of Deceased Beneficiary

Program Memorandum (PM) AB-02-031 (CR 1961) 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. **This policy is effective for services processed on or after March 7, 2002.**

The final regulation to establish an ambulance fee schedule contains a provision authorizing partial payment 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.

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 payment 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.

Suppliers must use 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 sufficient documentation with the claim 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.

Medicare will 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. Mileage will not be reimbursed for services billed with modifier QL.

Clarifications Based on the Ambulance Fee Schedule Final Rule

List of Beneficiary Condition Indicators

Until outstanding issues regarding use of beneficiary condition indicators are resolved, we request suppliers not bill such indicators at this time. CMS will provide carriers with specific instructions in a future Program Memorandum.

HCPCS Codes for ALS Vehicle Used but No ALS Service Provided

During the transition period, if an ALS vehicle is used for an ***emergency*** transport, but no ALS specialized service is furnished, suppliers should use HCPCS code **Q3019**. The fee schedule portion of the blended payment for code Q3019 is based on the fee for BLS emergency code A0429. The reasonable charge portion of the blended payment will be the ALS emergency rate code A0330.

If an ALS vehicle is used for a ***non-emergency*** transport but no ALS specialized service is furnished, suppliers should use HCPCS code **Q3020**. The fee schedule portion of the blended payment will be based on the non-emergency basic life support (BLS) level. The fee schedule portion of the blended payment for code Q3020 is based on the fee for BLS non-emergency code A0428. The reasonable charge portion of the blended payment will be the ALS non-emergency rate code A0326.

Q3019 ALS Vehicle Used, Emergency Transport, No ALS Service Furnished
Q3020 ALS Vehicle Used, Non-Emergency Transport, No ALS Service Furnished

Note: HCPCS code **Q3017** was to be implemented April 1, 2002, for instances in which an ALS ambulance arrives, an ALS assessment but no other ALS service is provided. ***This policy is rescinded and code Q3017 will not be implemented.***

Fee Schedule

Listed below are the 2002 Ambulance Fee Schedule rates for Florida localities. Suppliers may determine their actual payment by combining 20 percent of these amounts with 80 percent of their 2002 reasonable charge for the same service. The reasonable charge is the lower of the supplier's customary charge and the area prevailing charge. The prevailing charges for 2002 for Florida localities were provided in the December 2001 *Special Issue Medicare B Update!* titled "2002 Allowances for Ambulance Services," also available online at **www.floridamedicare.com**.

Code	Descriptor	Loc 01/02	Loc 03	Loc 04	
A0425	Ground mileage, per statute mile	5.47	5.47	5.47	
A0426	Ambulance service, advanced life support, non-emergency transport, level 1 (ALS 1)	196.91	207.23	212.10	
A0427	Ambulance service, advanced life support, emergency transport, level 1 (ALS1-EMERGENCY)	311.78	328.11	335.82	
A0428	Ambulance service, basic life support, non-emergency transport, (BLS)	164.09	172.69	176.75	
A0429	Ambulance service, basic life support, emergency transport (BLS-EMERGENCY)	262.55	276.30	282.80	
A0430	Ambulance service, conventional air services, transport, one way (fixed wing)	2252.02	2335.34	2374.69	Urban
		3378.03	3503.01	3562.03	Rural
A0431	Ambulance service, conventional air services, transport, one way (rotary wing)	2618.30	2715.18	2760.92	Urban
		3927.46	4072.77	4141.39	Rural
A0433	Advanced life support, level 2 (ALS 2)	451.26	474.89	486.06	
A0434	Specialty care transport (SCT)	533.30	561.24	574.43	
A0435	Fixed wing air mileage, per statute mile	6.57	6.57	6.57	Urban
		9.86	9.86	9.86	Rural
A0436	Rotary wing air mileage, per statute mile	17.51	17.51	17.51	Urban
		26.27	26.27	26.27	Rural
Q3019	ALS vehicle used, emergency transport, no ALS service furnished	262.55	276.30	282.80	
Q3020	ALS vehicle used, non-emergency transport, no ALS service furnished	164.09	172.69	176.75	

Definitions of Level of Service

BLS	Basic Life Support: Transportation by ground ambulance vehicle and medically necessary supplies and services, plus the provision of BLS ambulance services. The ambulance must be staffed by an individual who is qualified in accordance with state and local laws as an emergency medical technician-basic (EMT-Basic). These laws may vary from state to state. For example, only in some states is an EMT-Basic permitted to operate limited equipment on board the vehicle, assist more qualified personnel in performing assessments and interventions, and establish a peripheral intravenous (IV) line.
BLS-Emergency	Basic Life Support–Emergency: The provision of BLS services, as specified above, in the context of an emergency response. Emergency response means responding immediately at the BLS or ALS1 level of service to a 911 call or the equivalent in areas without a 911 call system. An immediate response is one in which the ambulance supplier begins as quickly as possible to take the steps necessary to respond to the call.
ALS1	Advanced Life Support, Level 1: Transportation by ground ambulance, medically necessary supplies and services and an ALS assessment by ALS personnel or the provision of at least one ALS intervention. ALS assessment is an assessment performed by an ALS crew as part of an emergency response that was necessary because the patient's reported condition at the time of dispatch was such that only an ALS crew was qualified to perform the assessment. An ALS assessment does not necessarily result in a determination that the patient requires an ALS level of service. ALS intervention means a procedure that is, in accordance with state and local laws, beyond the scope of authority of an emergency medical technician-basic (EMT-Basic). ALS personnel means an individual trained to the level of the emergency medical technician-intermediate (EMT-Intermediate) or paramedic. The EMT-Intermediate is defined as an individual who is qualified, in accordance with state and local laws, as an EMT-Basic and who is also qualified in accordance with state and local laws to perform essential advanced techniques and to administer a limited number of medications. The EMT-Paramedic is defined as possessing the qualifications of the EMT-Intermediate and also, in accordance with state and local laws, as having enhanced skills that include being able to administer additional interventions and medications.
ALS1-Emergency	Advanced Life Support, Level 1–Emergency: The provision of ALS1 services as specified above, in the context of an emergency response. Emergency response means responding immediately at the BLS or ALS1 level of service to a 911 call or the equivalent in areas without a 911 system. An immediate response is one in which the ambulance supplier begins as quickly as possible to take the steps necessary to respond to the call.
ALS2	Advanced Life Support, Level 2: 1. Three or more different administrations of medications by intravenous push/bolus or by continuous infusion excluding crystalloid, hypotonic, isotonic, and hypertonic solutions (Dextrose, Normal Saline, Ringer's Lactate), or transportation, medically necessary supplies and services, ***or*** 2. The provision of at least one of the following ALS specialized services: Manual defibrillation/cardioversion Endotracheal intubation Central venous line Cardiac pacing Chest decompression Surgical airway Intraosseous line
SCT	Specialty Care Transport: When medically necessary, for a critically injured or ill beneficiary, a level of inter-facility service provided by a ground ambulance vehicle, including medically necessary supplies, that is at a level of service beyond the scope of the EMT-paramedic. SCT is necessary when a beneficiary's condition requires ongoing care that must be provided by one or more health professionals in an appropriate specialty area (for example, nursing, emergency medicine, respiratory care, cardiovascular care, or a paramedic with additional training).
PI	Paramedic Intercept: ALS services provided by an entity that does not provide the ground ambulance transport. Under limited circumstances (not applicable in Florida), Medicare payment may be made for these services directly to the PI entity.

FW	Fixed Wing Air Ambulance (*airplane*): Fixed wing air ambulance is furnished when the beneficiary's medical condition is such that transport by ground ambulance, in whole or in part, is not appropriate. Generally, transport by fixed wing air ambulance may be necessary because the beneficiary's condition requires rapid transport to a treatment facility, and either great distances or other obstacles, (for example, heavy traffic), preclude such rapid delivery to the nearest appropriate facility. Transport by fixed wing air ambulance may also be necessary because the beneficiary is inaccessible by a land or water ambulance vehicle.
RW	Rotary Wing Air Ambulance (*helicopter*): Rotary wing air ambulance is furnished when the beneficiary's medical condition is such that transport by ground ambulance, in whole or in part, is not appropriate. Generally, transport by rotary wing air ambulance may be necessary because the beneficiary's condition requires rapid transport to a treatment facility, and either great distances or other obstacles, (for example, heavy traffic), preclude such rapid delivery to the nearest appropriate facility. Transport by rotary wing air ambulance may also be necessary because the beneficiary is inaccessible by a land or water ambulance vehicle.

Source: CMS Transmittal AB-01-165 CR 1555
CMS Transmittal AB-02-031 CR 1961
CMS Transmittal AB-02-036 CR 2047

MEDICARE B UPDATE!

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*** ATTENTION BILLING MANAGER***