

Use of 2002 Fee Schedule for Urban Ground Ambulance (Independent Supplier)

Reasonable charge IIC	Reasonable charge IIC x 80%	2002 fee schedule	2002 fee schedule x 20%	Total allowed charge
\$315.62	\$252.50	\$343.66	\$68.73	\$321.23

A Medicare beneficiary residing in Baltimore, Maryland, was transported via ground ambulance from home to the nearest appropriate hospital 2 miles away. An emergency response was required, and an ALS assessment was performed. Therefore, the level of service is ALS1-Emergency.

Assuming that the beneficiary was placed on board the ambulance in Baltimore, it will be an urban trip. Therefore, no rural payment rate will apply. In Baltimore, the GPCI = 1.038. The fee schedule amount will be calculated as follows--

Payment Rate = [(RVU*(0.30+(0.70*GPCI)))*CF]+[MGR*#MILES]
 Payment Rate = [(1.90*(0.30+(0.70*1.038)))*170.54]+[5.47*2.00]
 Payment Rate = [(1.90*(0.30+0.727))*170.54]+[10.94]
 Payment Rate = [(1.90*1.027)*170.54]+[10.94]
 Payment Rate = [1.951*170.54]+[10.94]
 Payment Rate = [332.724]+[10.94]
 Payment Rate = 343.664
 Payment Rate = \$343.66 (subject to Part B deductible and coinsurance requirements)

Because 2002 will be the first year of a 5-year transition period, the ambulance fee schedule payment rate will be multiplied by 20 percent and added to 80 percent of the payment calculated by the current payment system. The applicable codes are A0427 and A0425. Assuming application of the inflation indexed charge (IIC) in 2002, the reasonable charge allowance for this service in Maryland is \$315.62 (\$303.00 for the base trip plus \$6.31 X 2 miles).

Assuming that the Part B deductible has been met, the program will pay 80 percent, and the beneficiary's liability will be 20 percent, representing the Part B coinsurance amount, and the total allowed charge for this service during CY 2002 will be:

Medicare Payment (80%)	Beneficiary Liability(20%)
\$256.98	\$64.25