



Ambulance Inflation Factor for Calendar Year (CY) 2020 and Productivity Adjustment

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Related Change Request (CR) Number: 11497

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Implementation Date: January 6, 2020

PROVIDER TYPES AFFECTED

This MLN Matters Article is for ambulance providers and suppliers submitting claims to Medicare Administrative Contractors (MACs) for Medicare Part B ambulance services provided to Medicare beneficiaries.

WHAT YOU NEED TO KNOW

CR 11497 furnishes the Calendar Year (CY) 2020 Ambulance Inflation Factor (AIF) for determining the payment limit for ambulance services. The AIF for CY 2020 is 0.9 percent. Make sure that your billing staffs are aware of this change.

BACKGROUND

CR11497 furnishes the Calendar Year (CY) 2020 AIF for determining the payment limit for ambulance services required by Section 1834(l)(3)(B) of the Social Security Act (the Act) which is available at: https://www.ssa.gov/OP_Home/ssact/title18/1834.htm.

Section 1834(l)(3)(B) of the Act provides the basis for an update to the payment limits for ambulance services 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. Section 3401 of the Affordable Care Act amended Section 1834(l)(3) of the Act to apply a productivity adjustment to this update equal to the 10-year moving average of changes in economy-wide private nonfarm business Multi-Factor Productivity (MFP) beginning January 1, 2011. The resulting update percentage is the AIF.

The MFP for CY 2020 is 0.7 percent and the CPI-U for 2020 is 1.6 percent. According to the Affordable Care Act, the CPI-U is reduced by the MFP, even if this reduction results in a negative AIF update. Therefore, the AIF for CY 2020 is 0.9 percent.

The Part B coinsurance and deductible requirements apply to payments under the Ambulance Fee Schedule.

ADDITIONAL INFORMATION

The official instruction, CR 11497, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2019Downloads/R4407CP.pdf>.

If you have questions, your MACs may have more information. Find their website at <http://go.cms.gov/MAC-website-list>.

DOCUMENT HISTORY

Date of Change	Description
October 4, 2019	Initial article released.

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