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 | ADMINISTRATIVE DIRECTIVE |
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TRANSMITTAL: 90 ADM-1

TO: Commissioners of
 Social Services

DIVISION: Medical
 Assistance

DATE: January 8, 1990

SUBJECT: Payment for Ambulance Services

SUGGESTED
 DISTRIBUTION:

Medical Transportation Staff
 Medical Assistance Staff
 Accounting Supervisors
 Staff Development Coordinators

CONTACT
 PERSON:

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 64794.

ATTACHMENTS:

There are no attachments to this ADM.

FILING REFERENCES

| Previous ADMs/INFs | Releases Cancelled | Dept. Regs. | Soc. Serv. Law & Other Legal Ref. | Manual Ref. | Misc. Ref. |
|-----------------------|-----------------------|-------------|---|-------------|---|
| | | 360-7.7 | 367-a.1 | | Dear Cmmsnr. Letter, January 16, 1987 |

I. Purpose

The purpose of this directive is to advise social services districts that, effective January 1, 1990, ambulance providers are exempt from Department Regulation 360-7.7 (18 NYCRR) which limits Medical Assistance (MA) reimbursement of Medicare coinsurance and deductible amounts.

II. Background

Effective January 1, 1987, MA regulations regarding payment for services provided to clients who are eligible for both MA and Medicare Part B were changed. Currently, if the Medicare Part B payment is less than the MA rate, providers are reimbursed the difference between the Medicare Part B payment and the lower of the MA rate or the Medicare approved amount. If the Medicare payment equals or exceeds the MA rate, the Department pays no Part B coinsurance or deductible amounts to the provider.

On August 2, 1989, Governor Cuomo signed into law an act (Chapter 763 of the Laws of 1989) amending subdivision 1 of section 367-a of the Social Services Law, in relation to amounts payable for ambulance services to needy persons who are insured under Medicare Part B.

This act exempts ambulance providers from the Department's Medicare/MA payment policy as outlined in Section 360-7.7. Effective January 1, 1990, MA will reimburse ambulance providers the full deductible and coinsurance amounts of a Medicare Part B claim.

III. Program Implications

Section 360-7.7 remains effective for all MA provider groups except ambulance. The legislative exemption mandates that ambulance providers will be reimbursed the full deductible and coinsurance amounts of a Medicare Part B claim.

The reimbursement and prior approval of ambulance transports in which there is Medicare involvement will change as a result of this exemption.

IV. Required Action

A. Reimbursement of Medicare/Medical Assistance Crossover Claims

For those districts which reimburse ambulance providers through the Medicaid Management Information System (MMIS), payment of the full Medicare Part B coinsurance and deductible amounts will be accomplished by the MMIS.

Currently, for those districts which reimburse ambulance providers through local payment mechanisms, providers submit to districts bills for deductible and coinsurance amounts pursuant to Section 360-7.7(e). District staff compare the Medicare paid amount to the MA rate and reimburse the difference between the Medicare Part B payment and the lower of the established MA rate or the Medicare approved amount. If the Part B benefit equals or exceeds the MA rate, no Part B coinsurance or deductible amounts are paid to the provider.

Effective January 1, 1990, district staff shall disregard the MA ambulance rate and shall reimburse the full Medicare Part B coinsurance and deductible amounts for Medicare approved ambulance transports.

Payment for coinsurance and deductible amounts payable on an assigned Medicare claim for ambulance services may be made only up to the Medicare approved amount, even if the payment amount for transport of a Medicaid-only recipient is higher.

When Medicare denies payment on the Medicare Part B claim based on the finding that the ambulance transport was medically unnecessary, MA payment on the claim shall also be denied.

B. Prior Authorization of Ambulance Transportation

Currently, district prior authorization of emergency ambulance transportation is not required; prior authorization of nonemergency ambulance transportation is required to assure in part that reimbursement does not exceed the MA rate. Effective January 1, 1990, prior authorization of nonemergency ambulance transportation will no longer be required for ambulance claims in which there is a Medicare Part B approved amount. Rather, approval by Medicare of ambulance transport will be deemed appropriate approval for MA purposes.

Prior authorization will still be required for nonemergency ambulance claims for which there is no Medicare Part B coverage.

V. Systems Implications

None.

VI. Effective Date

This directive is effective January 1, 1990.

Jo-Ann A. Costantino
Deputy Commissioner
Division of Medical Assistance