

107TH CONGRESS  
1ST SESSION

# S. 1350

To amend the title XVIII of the Social Security Act to provide payment to medicare ambulance suppliers of the full costs of providing such services, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

AUGUST 3, 2001

Mr. DAYTON introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the title XVIII of the Social Security Act to provide payment to medicare ambulance suppliers of the full costs of providing such services, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Medicare Ambulance  
5       Payment Reform Act of 2001”.

6       **SEC. 2. AMBULANCE PAYMENT RATES.**

7       (a) PAYMENT RATES.—

1           (1) IN GENERAL.—Section 1834(l)(3) of the  
2 Social Security Act (42 U.S.C. 1395m(l)(3)) is  
3 amended to read as follows:

4           “(3) PAYMENT RATES.—

5           “(A) IN GENERAL.—Subject to any adjust-  
6 ment under subparagraph (B) and paragraph  
7 (9) and the full payment of a national mileage  
8 rate pursuant to subparagraph (2)(E), in estab-  
9 lishing such fee schedule, the following rules  
10 shall apply:

11           “(i) PAYMENT RATES IN 2002.—

12           “(I) GROUND AMBULANCE SERV-  
13 ICES.—In the case of ground ambu-  
14 lance services furnished under this  
15 part in 2002, the Secretary shall set  
16 the payment rates under the fee  
17 schedule for such services at a rate  
18 based on the average costs (as deter-  
19 mined by the Secretary on the basis of  
20 the most recent and reliable informa-  
21 tion available) incurred by full cost  
22 ambulance suppliers in providing non-  
23 emergency basic life support ambu-  
24 lance services covered under this title,  
25 with adjustments to the rates for

1 other ground ambulance service levels  
2 to be determined based on the rule es-  
3 tablished under paragraph (1). For  
4 the purposes of the preceding sen-  
5 tence, the term ‘full cost ambulance  
6 supplier’ means a supplier for which  
7 volunteers or other unpaid staff com-  
8 prise less than 20 percent of the sup-  
9 plier’s total staff and which receives  
10 less than 20 percent of space and  
11 other capital assets free of charge.

12 “(II) OTHER AMBULANCE SERV-  
13 ICES.—In the case of ambulance serv-  
14 ices not described in subclause (I)  
15 that are furnished under this part in  
16 2002, the Secretary shall set the pay-  
17 ment rates under the fee schedule for  
18 such services based on the rule estab-  
19 lished under paragraph (1).

20 “(ii) PAYMENT RATES IN SUBSE-  
21 QUENT YEARS FOR ALL AMBULANCE SERV-  
22 ICES.—In the case of any ambulance serv-  
23 ice furnished under this part in 2003 or  
24 any subsequent year, the Secretary shall  
25 set the payment rates under the fee sched-

1           ule for such service at amounts equal to  
2           the payment rate under the fee schedule  
3           for that service furnished during the pre-  
4           vious year, increased by the percentage in-  
5           crease in the Consumer Price Index for all  
6           urban consumers (United States city aver-  
7           age) for the 12-month period ending with  
8           June of the previous year.

9           “(B) ADJUSTMENT IN RURAL RATES.—For  
10          years beginning with 2004, the Secretary, after  
11          taking into consideration the recommendations  
12          contained in the report submitted under section  
13          221(b)(3) the Medicare, Medicaid, and SCHIP  
14          Benefits Improvements and Protection Act of  
15          2000, shall adjust the fee schedule payment  
16          rates that would otherwise apply under this  
17          subsection for ambulance services provided in  
18          low density rural areas based on the increased  
19          cost (if any) of providing such services in such  
20          areas.”.

21          (2) CONFORMING AMENDMENT.—Section  
22          221(c) of the Medicare, Medicaid, and SCHIP Bene-  
23          fits Improvement and Protection Act of 2000 (114  
24          Stat. 2763A–487), as enacted into law by section  
25          1(a)(6) of Public Law 106–554, is repealed.

1 (3) TECHNICAL AMENDMENT.—

2 (A) IN GENERAL.—Paragraph (8) of sec-  
3 tion 1834(l) of the Social Security Act (42  
4 U.S.C. 1395m(l)), as added by section 221(a)  
5 of the Medicare, Medicaid, and SCHIP Benefits  
6 Improvement and Protection Act of 2000 (114  
7 Stat. 2763A–487), as enacted into law by sec-  
8 tion 1(a)(6) of Public Law 106–554, is redesign-  
9 nated as paragraph (9).

10 (B) EFFECTIVE DATE.—The amendment  
11 made by subparagraph (A) shall take effect as  
12 if included in the enactment of such section  
13 221(a).

14 (b) USE OF MEDICAL CONDITIONS FOR CODING AM-  
15 BULANCE SERVICES.—Section 1834(l)(7) of the Social Se-  
16 curity Act (42 U.S.C. 1395m(l)(7)) is amended to read  
17 as follows:

18 “(7) CODING SYSTEM.—

19 “(A) IN GENERAL.—The Secretary shall,  
20 in accordance with section 1173(e)(1)(B), es-  
21 tablish a system or systems for the coding of  
22 claims for ambulance services for which pay-  
23 ment is made under this subsection, including a  
24 code set specifying the medical condition of the  
25 individual who is transported and the level of

1 service that is appropriate for the transpor-  
 2 tation of an individual with that medical condi-  
 3 tion.

4 “(B) MEDICAL CONDITIONS.—The code set  
 5 established under subparagraph (A) shall—

6 “(i) take into account the list of med-  
 7 ical conditions developed in the course of  
 8 the negotiated rulemaking process con-  
 9 ducted under paragraph (1); and

10 “(ii) notwithstanding any other provi-  
 11 sion of law, be adopted as a standard code  
 12 set under section 1173(c).”.

13 **SEC. 3. PRUDENT LAYPERSON STANDARD FOR EMERGENCY**  
 14 **AMBULANCE SERVICES UNDER MEDICARE**  
 15 **AND MEDICAID.**

16 (a) AMBULANCE SERVICES FOR MEDICARE FEE-  
 17 FOR-SERVICE BENEFICIARIES.—Section 1861(s)(7) of  
 18 the Social Security Act (42 U.S.C. 1395x(s)(7)) is amend-  
 19 ed by inserting before the semicolon at the end the fol-  
 20 lowing: “, except that such regulations shall not fail to  
 21 treat ambulance services as medical and other health serv-  
 22 ices solely because the ultimate diagnosis of the individual  
 23 receiving the ambulance services results in the conclusion  
 24 that ambulance services were not necessary, as long as the  
 25 request for ambulance services is made after the sudden

1 onset of a medical condition that would be classified as  
2 an emergency medical condition (as defined in section  
3 1852(d)(3)(B)).”.

4 (b) **AMBULANCE SERVICES FOR MEDICARE+CHOICE**  
5 **ENROLLEES.**—Section 1852(d)(3)(A) of the Social Secu-  
6 rity Act (42 U.S.C. 1395w–22(d)(3)(A)) is amended by  
7 inserting “(including the services described in section  
8 1861(s)(7))” after “outpatient services” in the matter  
9 preceding clause (i).

10 (c) **AMBULANCE SERVICES IN MEDICAID MANAGED**  
11 **CARE PLANS.**—Section 1932(b)(2)(B) of the Social Secu-  
12 rity Act (42 U.S.C. 1396u–2(b)(2)(B)) is amended by in-  
13 serting “(including the services described in section  
14 1861(s)(7) (if covered by the State plan))” after “out-  
15 patient services” in the matter preceding clause (i).

16 (d) **EFFECTIVE DATE.**—The amendments made by  
17 this section shall apply with respect to services provided  
18 on and after the date of enactment of the Act.

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