

113TH CONGRESS  
2D SESSION

# H. R. 5460

To amend title XVIII of the Social Security Act to increase access to ambulance services under the Medicare program and to reform payments for such services under such program.

---

## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 11, 2014

Mr. WALDEN (for himself, Mr. WELCH, Mr. NUNES, and Mr. NEAL) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

---

## A BILL

To amend title XVIII of the Social Security Act to increase access to ambulance services under the Medicare program and to reform payments for such services under such program.

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 (a) SHORT TITLE.—This Act may be cited as the  
5 “Medicare Ambulance Access, Fraud Prevention, and Re-  
6 form Act of 2014”.

1 (b) TABLE OF CONTENTS.—The table of contents of  
 2 this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Reform to the Medicare ambulance fee schedule.
- Sec. 3. Prior authorization for ambulance transports of ESRD beneficiaries.
- Sec. 4. Requiring ambulance providers to submit cost and other information.

3 **SEC. 2. REFORM TO THE MEDICARE AMBULANCE FEE**  
 4 **SCHEDULE.**

5 (a) IN GENERAL.—Section 1834(l) of the Social Se-  
 6 curity Act (42 U.S.C. 1395m(l)) is amended by adding  
 7 the following new paragraphs:

8 “(16) INCREASE IN CONVERSION FACTOR FOR  
 9 GROUND AMBULANCE SERVICES.—In the case of  
 10 ground ambulance services furnished on or after  
 11 April 1, 2015, for purposes of determining the fee  
 12 schedule amount for such services under this sub-  
 13 section, the conversion factor otherwise applicable to  
 14 such services shall be increased by—

15 “(A) with respect to ground ambulance  
 16 services for which the transportation originates  
 17 in a qualified rural area, as identified using the  
 18 methodology described in paragraph  
 19 (12)(B)(iii), 25.6 percent;

20 “(B) with respect to ground ambulance  
 21 services not described in subparagraph (A) and  
 22 for which the transportation originates in a  
 23 rural area described under paragraph (9) or in

1 a rural census tract described in such para-  
2 graph, 3 percent; and

3 “(C) with respect to ground ambulance  
4 services not described in subparagraph (A) or  
5 (B), 2 percent.

6 “(17) INCREASE IN MILEAGE RATE FOR  
7 GROUND AMBULANCE SERVICES.—In the case of  
8 ground ambulance services furnished on or after  
9 April 1, 2015, for purposes of determining the fee  
10 schedule amount for such services under this sub-  
11 section, the payment rate for mileage otherwise ap-  
12 plicable to such services shall be increased by—

13 “(A) with respect to ground ambulance  
14 services for which the transportation originates  
15 in a qualified rural area, as identified using the  
16 methodology described in paragraph  
17 (12)(B)(iii), 3 percent;

18 “(B) with respect to ground ambulance  
19 services for which the transportation originates  
20 in a rural area described under paragraph (9)  
21 or in a rural census tract described in such  
22 paragraph, 3 percent; and

23 “(C) with respect to ground ambulance  
24 services not described in subparagraph (A) or  
25 (B), 2 percent.”.

1 (b) STUDY AND REPORT.—

2 (1) STUDY.—The Secretary of Health and  
3 Human Services shall conduct a study on how the  
4 conversion factor applicable to ground ambulance  
5 services under the ambulance fee schedule under sec-  
6 tion 1834(l) of the Social Security Act (42 U.S.C.  
7 1395m(l)), as adjusted under paragraph (16) of  
8 such section (as added by subsection (a)), should be  
9 modified, if at all, to take into account the cost of  
10 providing services in urban, rural, and super-rural  
11 areas. In determining such costs, the Secretary shall  
12 use the data collected through the data collection  
13 system under paragraph (18) of such section, as  
14 added by section 4.

15 (2) REPORT.—Not later than January 1, 2019,  
16 the Secretary of Health and Human Services shall  
17 submit to Congress a report on the study conducted  
18 under paragraph (1), together with recommenda-  
19 tions for such legislation and administrative action  
20 as the Secretary determines appropriate.

21 **SEC. 3. PRIOR AUTHORIZATION FOR AMBULANCE TRANS-**  
22 **PORTS OF ESRD BENEFICIARIES.**

23 (a) IN GENERAL.—Section 1834(l) of the Social Se-  
24 curity Act (42 U.S.C. 1395m(l)), as amended by section

1 2, is amended by adding at the end the following new  
2 paragraph:

3 “(18) PRIOR AUTHORIZATION OF COVERAGE  
4 FOR AMBULANCE TRANSPORTS OF ESRD BENE-  
5 FICIARIES.—

6 “(A) PROCESS.—

7 “(i) IN GENERAL.—For applicable  
8 ESRD ambulance services furnished on or  
9 after January 1, 2016, by an ambulance  
10 provider, the Secretary shall establish and  
11 implement a process under which the Sec-  
12 retary shall determine, in advance of fur-  
13 nishing such a service to an individual,  
14 whether payment for such service may not  
15 be made because such service is not cov-  
16 ered or because of the application of sec-  
17 tion 1862(a)(1).

18 “(ii) DENIAL OF PAYMENT.—Subject  
19 to subparagraph (B)(ii)(II), no payment  
20 shall be made under this part for the serv-  
21 ice unless the Secretary determines pursu-  
22 ant to such process that the service meets  
23 the applicable requirements for coverage.

1 “(B) ELEMENTS OF PROCESS.—The proc-  
2 ess described in subparagraph (A) shall include  
3 the following elements:

4 “(i) In order to obtain a prior author-  
5 ization, the ambulance provider shall sub-  
6 mit—

7 “(I) a valid physician certifi-  
8 cation statement (PCS) for non-emer-  
9 gency ambulance transport; and

10 “(II) any other documentation  
11 determined appropriate by the Sec-  
12 retary.

13 “(ii)(I) The Secretary shall respond to  
14 a prior authorization request within 7 busi-  
15 ness days of receiving the request.

16 “(II) If the Secretary does not make  
17 a prior authorization determination within  
18 7 business days of the date of the Sec-  
19 retary’s receipt of medical documentation  
20 needed to make such determination, sub-  
21 paragraph (A)(ii) shall not apply.

22 “(iii) In making the determination  
23 under subparagraph (A) with respect to a  
24 service and individual, the Secretary shall

1 evaluate the medical necessity of the serv-  
2 ice by determining—

3 “(I) whether the individual is un-  
4 able to get up from bed without as-  
5 sistance, unable to ambulate, and un-  
6 able to sit in a chair or wheelchair;

7 “(II) whether the individual has  
8 a medical condition that, regardless of  
9 bed confinement, is such that trans-  
10 port by ambulance is medically nec-  
11 essary; or

12 “(III) whether the individual  
13 meets other criteria as determined ap-  
14 propriate by the Secretary.

15 “(iv) If the prior authorization re-  
16 quest is approved, such request shall be  
17 retroactive to the date on which such re-  
18 quest was received.

19 “(v) An approved prior authorization  
20 shall be valid for a 60-day period. The Sec-  
21 retary may provide for an extension of  
22 such period if the Secretary determines  
23 such an extension is appropriate.

24 “(vi) An approved prior authorization  
25 shall be deemed to constitute medical ne-

1           cessity but shall not eliminate the docu-  
2           mentation requirements necessary to sup-  
3           port a claim for the transport.

4           “(vii) Other elements determined ap-  
5           propriate by the Secretary.

6           “(C) RELIANCE UPON CONTRACTORS.—

7           The Secretary may rely upon contractors to im-  
8           plement the requirements of this paragraph.  
9           The contractor’s compensation shall be limited  
10          to a demonstration that it has reduced the  
11          number of non-emergency basic life support  
12          services involving individuals with end-stage  
13          renal disease for renal dialysis services (as de-  
14          scribed in section 1881(b)(14)(B)) furnished  
15          other than on an emergency basis.

16          “(D) APPLICABLE ESRD AMBULANCE

17          SERVICES.—In this paragraph, the term ‘appli-  
18          cable ESRD ambulance services’ means ambu-  
19          lance services consisting of non-emergency basic  
20          life support services involving transport of an  
21          individual with end-stage renal disease for renal  
22          dialysis services (as described in section  
23          1881(b)(14)(B)) furnished other than on an  
24          emergency basis.

1           “(E) AMBULANCE PROVIDER.—In this  
 2           paragraph, the term ‘ambulance provider’  
 3           means a provider of services (as defined in sec-  
 4           tion 1861(u)) or other entity that furnishes am-  
 5           bulance services under this title.

6           “(F) IMPLEMENTATION.—

7                   “(i) IN GENERAL.—Subject to clause  
 8                   (ii), the Secretary may carry out this para-  
 9                   graph through program instruction or oth-  
 10                  erwise.

11                  “(ii) SUFFICIENT NOTICE TO PRE-  
 12                  PARE.—Not later than June 30, 2015, the  
 13                  Secretary shall make the aspects of the  
 14                  process under this paragraph available to  
 15                  the public.”.

16           (b) CONFORMING AMENDMENTS.—Section 1834(l) of  
 17   the Social Security Act (42 U.S.C. 1395m(l)) is amend-  
 18   ed—

19                   (1) in paragraph (1), by striking “a supplier or  
 20                   provider or under arrangement with a provider” and  
 21                   inserting “an ambulance provider (as defined in  
 22                   paragraph (18)(E)) or under arrangement with an  
 23                   ambulance provider”;

24                   (2) in paragraph (8), in the matter following  
 25                   subparagraph (B), by striking “provider or supplier

1 of ambulance services” and inserting “ambulance  
2 provider (as defined in paragraph (18)(E))”;

3 (3) in paragraph (9), in the heading, by insert-  
4 ing “AMBULANCE” after “RURAL”;

5 (4) in paragraph (12), in the heading, by in-  
6 serting “AMBULANCE” after “RURAL”; and

7 (5) in each of subparagraphs (B)(ii) and (D)(ii)  
8 of paragraph (14), by striking “entity” and inserting  
9 “ambulance provider (as defined in paragraph  
10 (18)(E))”.

11 **SEC. 4. REQUIRING AMBULANCE PROVIDERS TO SUBMIT**  
12 **COST AND OTHER INFORMATION.**

13 Section 1834(l) of the Social Security Act (42 U.S.C.  
14 1395m(l)), as amended by section 3, is amended by adding  
15 at the end the following new paragraph:

16 “(19) SUBMISSION OF COST AND OTHER INFOR-  
17 MATION.—

18 “(A) DEVELOPMENT OF DATA COLLECTION  
19 SYSTEM.—The Secretary shall develop a data  
20 collection system (which may include use of a  
21 cost survey and standardized definitions) for  
22 providers and suppliers of ambulance services to  
23 collect cost, revenue, utilization, and other in-  
24 formation determined appropriate by the Sec-

1           retary. Such system shall be designed to submit  
2           information—

3                   “(i) needed to evaluate the appro-  
4                   priateness of payment rates under this  
5                   subsection;

6                   “(ii) on the utilization of capital  
7                   equipment and ambulance capacity; and

8                   “(iii) on different types of ambulance  
9                   services furnished in different geographic  
10                  locations, including rural areas and low  
11                  population density areas described in para-  
12                  graph (12).

13                  “(B) SPECIFICATION OF DATA COLLEC-  
14                  TION SYSTEM.—

15                   “(i) IN GENERAL.—Not later than  
16                  July 1, 2015, the Secretary shall—

17                           “(I) specify the data collection  
18                           system under subparagraph (A) and  
19                           the time period during which such  
20                           data is required to be submitted; and

21                           “(II) identify the providers and  
22                           suppliers of ambulance services who  
23                           would be required to submit the infor-  
24                           mation under such data collection sys-  
25                           tem.

1 “(ii) RESPONDENTS.—Subject to sub-  
2 paragraph (D)(ii), the Secretary shall de-  
3 termine an appropriate sample of providers  
4 and suppliers of ambulance services to sub-  
5 mit information under the data collection  
6 system for each period for which reporting  
7 of data is required.

8 “(C) PENALTY FOR FAILURE TO REPORT  
9 COST AND OTHER INFORMATION.—Beginning  
10 on July 1, 2016, a 5-percent reduction to pay-  
11 ments under this part shall be made for a 1-  
12 year prospective period specified by the Sec-  
13 retary to a provider or supplier of ambulance  
14 services who—

15 “(i) is identified under subparagraph  
16 (B)(i)(II) as being required to submit the  
17 information under the data collection sys-  
18 tem; and

19 “(ii) does not submit such information  
20 during the period specified under subpara-  
21 graph (B)(i)(I).

22 “(D) ONGOING DATA COLLECTION.—

23 “(i) REVISION OF DATA COLLECTION  
24 SYSTEM.—The Secretary may, as deter-

1           mined appropriate, periodically revise the  
2           data collection system.

3           “(ii) SUBSEQUENT DATA COLLEC-  
4           TION.—In order to continue to evaluate  
5           the appropriateness of payment rates  
6           under this subsection, the Secretary shall,  
7           for years after 2016 (but not less often  
8           than once every 3 years), require providers  
9           and suppliers of ambulance services to sub-  
10          mit information for a period the Secretary  
11          determines appropriate. The penalty de-  
12          scribed in subparagraph (C) shall apply to  
13          such subsequent data collection periods.

14          “(E) CONSULTATION.—The Secretary shall  
15          consult with stakeholders in carrying out the  
16          development of the system and collection of in-  
17          formation under this paragraph, including the  
18          activities described in subparagraphs (A) and  
19          (D). Such consultation shall include the use of  
20          requests for information and other mechanisms  
21          determined appropriate by the Secretary.

22          “(F) ADMINISTRATION.—Chapter 35 of  
23          title 44, United States Code, shall not apply to  
24          the collection of information required under this  
25          subsection.

1           “(G) LIMITATIONS ON REVIEW.—There  
2           shall be no administrative or judicial review  
3           under section 1869, section 1878, or otherwise  
4           of the data collection system or identification of  
5           respondents under this paragraph.

6           “(H) FUNDING FOR IMPLEMENTATION.—  
7           For purposes of carrying out subparagraph (A),  
8           the Secretary shall provide for the transfer,  
9           from the Federal Supplementary Medical Insur-  
10          ance Trust Fund under section 1841, of  
11          \$1,000,000 to the Centers for Medicare & Med-  
12          icaid Services Program Management Account  
13          for fiscal year 2015. Amounts transferred under  
14          this subparagraph shall remain available until  
15          expended.”.

○