

Morrow County Health District

March 2, 2023

Re: Medicare reimbursement for ambulance services in a rural setting.

For Medicare purposes, ambulance transport services are furnished by an ambulance provider or an ambulance supplier.

An **ambulance provider** is a provider that owns and operates an ambulance transportation service as an adjunct to its institutionally based operation, such as a Critical Access Hospital (CAH).

An **ambulance supplier** is not owned or operated by a provider and is enrolled in Medicare as an independent ambulance supplier

When a beneficiary is transported by ground ambulance to the nearest hospital equipped to provide needed hospital care, the ambulance provider or supplier bills the Medicare separately under Medicare Part B. Generally, Medicare reimburses both providers and suppliers under Ambulance Fee Schedule (FS), which is based on the specific coverage area, level of service provided and mileage.

However, the Medicare program recognized that Ambulance FS reimbursement may not be sufficient in rural settings as overall volumes are lower than compared to urban settings, which is why a separate payment methodology is available to Critical Access Hospitals that meet specific criteria:

- The CAH owns and operates an entity furnishing ambulance transports.
- There is no other provider or supplier of ambulance transports within a 35-mile drive of the CAH owned and operated ambulance service.
- If the CAH owns and operates an entity furnishing ambulance transports more than a 35-mile drive from the CAH, that entity must be the closest provider of ambulance transports to the CAH.

If these criteria are met (primarily if there are no other ambulance providers/suppliers within a 35-mile drive of the CAH) the CAH can bill Medicare part-A and receive cost-based reimbursement, which will equate to a substantially higher Medicare reimbursement compared to Fee Schedule reimbursement.

If there are any additional questions, I can be reached at 509.232.2706 or by email at [evolk@wipfli.com](mailto:evolk@wipfli.com).

Sincerely,

A handwritten signature in black ink that reads "Eric Volk". The signature is written in a cursive style with a large, prominent "V" in the last name.

Eric Volk, Partner  
Wipfli LLP