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**Reference Guide to Calculate
Michigan Workers' Compensation Maximum Allowable Payment for
Air Ambulance Services
Fee Schedule Effective: 3/15/18**

- **Note:** A hospital owned air ambulance provider billing with the same tax identification number as the hospital shall be reimbursed based on the hospital's cost-to-charge ratio.
- The absence or presence of a code does not indicate workers' compensation coverage.
- Please refer to the Health Care Services Rules and Manual for additional information.

Air Ambulance Services

Calculate the Michigan Maximum Allowable Payment (MAP) using the following formula:

(Michigan Medicare Air Ambulance rate) x (1.40)

- The CMS CY 2017 Ambulance File was used for calculating reimbursement values. Michigan is contract/carrier 08202 in the CMS ambulance file.
- The CMS 2017 End of Year Zip Code file was used to determine urban vs. rural values.
- The MAP shall utilize the practice expense (PE) of the geographical information (GPCI), which is a melded average using 60% of the figures published for the city of Detroit added to 40% of the figures published for the rest of the state.

Michigan GPCI Values:

Work 1.0000

Malpractice (MP) 1.3004

Practice Expense (PE) .9632

Calculate the Michigan Urban Air Ambulance Medicare rate using the following formula:

$((\text{CMS Base Rate} \div 2) \times .9632) + (\text{CMS Base Rate} \div 2) = \text{Michigan Urban Air Ambulance Medicare Rate}$

Calculate the Michigan Rural Air Ambulance Medicare rate using the following formula:

$\text{MI Urban Rate} \times 1.5 = \text{Michigan Rural Air Ambulance Medicare Rate}$

The Michigan Medicare Air Ambulance Mileage rates are equal to the CMS Mileage Rates indicated in the CY 2017 Ambulance Files.

Health Care Services Rules for reference:

R418.10926 Billing for air ambulance services.

Rule 926. (1) Air ambulance providers shall bill procedure codes A0430, A0431, A0435, and A0436 as appropriate from the HCPCS codebook, as adopted by reference in R 418.10107.

(2) A hospital-owned air ambulance provider billing with the same tax identification number as the hospital shall submit charges for air ambulance services on a UB-04 form. All other air ambulance providers shall submit charges for ambulance services on a CMS-1500 form.

(3) Air ambulance services are considered reasonable when a medical condition, in whole or in part, is such that transportation by either basic or advanced life support ground ambulance would constitute a threat to the patient's life or seriously endanger the patient's health.

(4) A properly submitted air ambulance bill shall include documentation indicating the necessity of air ambulance services.

(5) An air ambulance service shall be covered only to the nearest facility capable of furnishing the required level and type of care for the injury or illness involved.

(6) The ambulance point of pick up shall be reported by its 5-digit ZIP code. Charges for services and mileage shall be based on documented loaded patient mileage only. If the patient is pronounced dead by a legally authorized professional after the air ambulance has taken off, but before being loaded onto the ambulance for transport, then the MAP is the appropriate base rate, with no amount allowed for mileage or for a rural adjustment.

(7) Ambulance origin and destination modifiers listed in the HCPCS Level II codebook, as adopted by reference in R 418.10107, shall be used on the bill as appropriate and will be listed on the agency website at www.michigan.gov/wca.

(8) All items and services associated with the ambulance transport are included in the maximum allowable payment and shall not be unbundled and billed separately.

R418.101010 Reimbursement for air ambulance services

Rule 1010. (1) Reimbursement for air ambulance services, when not provided by a hospital owned air ambulance provider billing with the same tax identification number as the hospital, shall be determined by using the reimbursement rate published by CMS. The formula for determining the maximum allowable paid (MAP) for ambulance services is determined by multiplying the (Medicare rate) X (1.40). The MAP shall be published in the health care services fee schedule and shall utilize the practice expense (PE) of the geographical information (GPCI), which shall be a melded average using 60% of the figures published for the city of Detroit added to 40% of the figures published for the rest of this state.

(2) The MAP for procedure codes A0430, A0431, A0435, and A0436 shall list 2 values for each procedure code, an urban and a rural MAP. Reimbursement is based on the zip code at the ambulance point of pick up and based on documented loaded patient mileage only. Urban or rural designations for each zip code shall be based on CMS and indicated on the agency website at www.michigan.gov.

(3) Mileage shall be reimbursed per documented loaded patient miles flown and is expressed in statute mile.

(a) For trips totaling up to 100 covered miles, the mileage shall be rounded up to the nearest tenth of a mile.

(b) For trips totaling 100 covered miles or greater, mileage shall be rounded up to the nearest whole number mile without use of a decimal.

(4) If the patient was pronounced dead by a legally authorized professional after the air ambulance was dispatched but before the ambulance arrived at the scene, reimbursement shall be made for a fixed wing or rotary wing base rate, as applicable. Neither mileage nor a rural adjustment shall be paid. The base rate shall be indicated on the agency website at www.michigan.gov.

(5) The MAP for procedure codes A0430, A0431, A0435, and A0436 includes all items, services, and supplies associated with such transport, which shall not be unbundled and billed separately.

(6) A hospital owned air ambulance provider billing with the same tax identification number as the hospital shall be reimbursed based on the hospital's cost-to-charge ratio, which shall be indicated on the agency website at www.michigan.gov.