AAA Preliminary Calculation of 2027 Medicare AIF is 2.6%

By Brian S. Werfel, Esq.

Section 1834(l)(3)(B) of the Social Security Act mandates that the Medicare Ambulance Fee Schedule be updated each year to reflect inflation. This update is referred to as the "Ambulance Inflation Factor" or "AIF".

The AIF is calculated by measuring the increase in the consumer price index for all urban consumers (CPI-U) for the 12-month period ending with June of the previous year. Starting in calendar year 2011, the change in the CPI-U is now reduced by a so-called "productivity adjustment", which is equal to the 10-year moving average of changes in the economy-wide private nonfarm business multi-factor productivity index (MFP). The MFP reduction may result in a negative AIF for any calendar year. The resulting AIF is then added to the conversion factor used to calculate Medicare payments under the Ambulance Fee Schedule.

For the 12-month period ending in June 2026, the federal Bureau of Labor Statistics (BLS) has calculated that the CPI-U has increased by 3.5%.

CMS has yet to release its estimate for the MFP for calendar year 2027. Since its inception, this number has fluctuated between 0.3% and 1.2%. In several Medicare final rules issued in July 2026, CMS indicated that it would use an MFP of 0.9%. These final rules have historically been a useful predictor of the eventual MFP for the AIF; however, the MFP can change to the extent newer data becomes available.

Accordingly, the AAA is projecting that the 2027 Ambulance Inflation Factor will likely be 2.6%, plus or minus 0.1%.

The AAA will notify members once CMS issues this fall a transmittal setting forth the official 2027 Ambulance Inflation Factor.

PO Box 96503 #72319
Washington, DC 20090-6503

202-802-9020
info@ambulance.org
www.ambulance.org