



**News Flash** – The publication titled *ICD-10-CM/PCS Myths & Facts* (June 2009), which presents correct information in response to some myths regarding the ICD-10-Clinical Modification/Procedure Coding System, is now available in downloadable format from the Centers for Medicare & Medicaid Services Medicare Learning Network at <http://www.cms.hhs.gov/MLNProducts/downloads/ICD-10Mappingfctshst.pdf> on the CMS website.

MLN Matters® Number: MM6524

Related Change Request (CR) #: 6524

Related CR Release Date: August 7, 2009

Effective Date: January 1, 2009

Related CR Transmittal #: R1790CP

Implementation Date: October 5, 2009

## Clinical Laboratory Fee Schedule – Medicare Travel Allowance Fees for Collection of Specimens

### Provider Types Affected

This article is for physicians, providers, and suppliers submitting claims to Medicare contractors (carriers, Fiscal Intermediaries (FIs), and/or A/B Medicare Administrative Contractors (A/B MACs)) for clinical laboratory specimen collection services provided to Medicare beneficiaries.

### Provider Action Needed

This article is based on Change Request (CR) 6524 which updates the Medicare travel allowance fees for collection of specimens for Calendar Year (CY) 2009. Subsequent updated travel allowance amounts will be issued by the Centers for Medicare & Medicaid Services (CMS) on an annual basis via a recurring update CR.

### Background

Change Request (CR) 6524 clarifies payment of travel allowances, either on a per mileage basis (Healthcare Common Procedure Coding System (HCPCS) code P9603) or on a flat rate basis (HCPCS code P9604) for Calendar Year (CY) 2009.

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Medicare, under Part B, covers a specimen collection fee and travel allowance for a laboratory technician to draw a specimen from either a nursing home patient or homebound patient under the Social Security Act (Section 1833(h)(3); see [http://www.ssa.gov/OP\\_Home/ssact/title18/1833.htm](http://www.ssa.gov/OP_Home/ssact/title18/1833.htm) on the Internet), and payment is made based on the clinical laboratory fee schedule.

### *Travel Allowance for 2009*

The travel codes allow for payment either on a per mileage basis (HCPCS code P9603) or on a flat rate per trip basis (HCPCS code P9604). Payment of the travel allowance is made only if a specimen collection fee is also payable. The travel allowance is intended to cover the estimated travel costs of collecting a specimen including the laboratory technician's salary and travel expenses. Medicare allows contractor discretion to choose either a mileage basis or a flat rate, and how to set each type of allowance.

Under either method, when one trip is made for multiple specimen collections (e.g., at a nursing home), the travel payment component is prorated based on the number of specimens collected on that trip, for both Medicare and non-Medicare patients, either at the time the claim is submitted by the laboratory or when the flat rate is set by the contractor.

### **Per Mile Travel Allowance (HCPCS Code P9603)**

The per mile travel allowance is to be used in situations where the average trip to the patients' homes is longer than 20 miles round trip, and is to be prorated in situations where specimens are drawn from non-Medicare patients in the same trip.

CR 6524 instructs that Medicare contractors will pay for **HCPCS code P9603**, where the average trip to the patients' homes exceeds 20 miles round trip, at a total of **\$1.00 per mile**. This includes:

- The Federal mileage rate of \$0.55 per mile **plus**
- An additional \$0.45 per mile to cover the technician's time and travel costs.

Contractors shall have the option of establishing a higher per mile rate for HCPCS code P9603, in excess of the minimum \$1.00 per mile, if local conditions warrant it.

The minimum mileage rate will be reviewed and updated in conjunction with the Clinical Laboratory Fee Schedule (CLFS) as needed. At no time will the laboratory be allowed to bill for more miles than are reasonable or for miles that are not actually traveled by the laboratory technician.

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**Per Flat-Rate Trip Basis Travel Allowance (HCPCS Code P9604)**  
CR 6524 also instructs that Medicare contractors shall pay for HCPCS code **P9604** on a flat-rate trip basis travel allowance of **\$10.00 per trip**.

### Additional Information

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The official instruction, CR 6524, issued to your carrier, FI, and A/B MAC regarding this change may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R1790CP.pdf> on the CMS website.

If you have any questions, please contact your carrier, FI, or A/B MAC at their toll-free number, which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

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