



Clinical Laboratory Fee Schedule - Medicare Travel Allowance Fees for Collection of Specimens – JA5996

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Contractors Affected

- Medicare Carriers
- Fiscal Intermediaries (FIs)
- Part A/B Medicare Administrative Contractors (A/B MACs)

Provider Types Affected Clinical laboratories submitting claims to Medicare Carriers, FIs, and/or A/B MACs for clinical laboratory services provided to Medicare beneficiaries



Change Request (CR) 5996 clarifies payment of travel allowances, either on a per mileage basis (P9603) or on a flat rate basis (P9604) for Calendar Year (CY) 2008.

Provider Needs to Know...

- The per flat rate trip basis travel allowance (P9604) is \$9.55, and the per mile travel allowance (P9603) is \$0.955 cents per mile and is used in situations where the average trip to the patients' homes is:
 - Longer than 20 miles round trip, and
 - To be pro-rated in situations where specimens are drawn or picked up from non-Medicare patients in the same trip.
- The per mile allowance rate of \$0.955 cents per mile was computed using the Federal mileage rate of \$0.505 cents per mile for automobile expenses plus an additional \$0.45 cents per mile to cover the technician's time and travel costs.

- Medicare contractors have the option of establishing a higher per mile rate in excess of the minimum of \$0.955 cents per mile if local conditions warrant it.
- Under either method (i.e., flat rate allowance or per mile travel allowance), 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 Medicare contractor.

Note: Because of confusion that some laboratories have had regarding the per mile fee basis and the need to claim the minimum distance necessary for a laboratory technician to travel for specimen collection, some Medicare contractors have established local policy to pay based on a flat rate basis only.

- At no time will a laboratory be allowed to bill for more miles than are reasonable or for miles not actually traveled by the laboratory technician.

Background

- Part B of Medicare covers:
 - A specimen collection fee and
 - A travel allowance for a laboratory technician to draw the specimen from either a nursing home patient or homebound patient.
- Payment is made based on the clinical laboratory fee schedule. (Refer to Section 1833(h)(3) of the Social Security Act at http://www.ssa.gov/OP_Home/ssact/title18/1833.htm on the Internet.)
- The travel codes allow for payment of the travel allowance either on a per mileage basis (P9603) or on a flat rate per trip basis (P9604), and payment of the travel allowance is made only if a specimen collection fee is also payable.
- The travel allowance is intended to cover estimated travel costs of collecting the specimen (including the laboratory technician's salary and travel expenses), and Medicare contractors have the discretion to choose:
 - Either a flat rate or a mileage basis; and
 - How to set each type of allowance.
- The standard mileage rate for business is based on a study of the fixed and variable costs of operating an automobile, and the study is conducted on an annual basis for the Internal Revenue Service.

**Operational
Impact**

Medicare contractors will not re-process claims that were processed before the new rates were implemented unless providers bring such claims to their attention.

Reference
Materials

The related MLN Matters article can be found at
<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5996.pdf> on the CMS
website.

The official instruction (CR5996) issued regarding this change may be viewed at
<http://www.cms.hhs.gov/Transmittals/downloads/R1524CP.pdf> on the CMS website.
