



Clinical Laboratory Fee Schedule—Medicare Travel Allowance Fees for Collection of Specimens – JA6195

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Date Job Aid Revised: September 17, 2008

Effective Date: July 1, 2008

Implementation Date: October 6, 2008

Key Words

MM6195, CR6195, R1584CP, Clinical, Laboratory, Fee, Travel

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) 6195 revises and clarifies payment of travel allowances that are based either on a per mileage basis (P9603) or on a flat rate basis (P9604) for calendar year 2008.
- The new rates are \$1.035 per mile (P9603) and \$9.55 per flat-rate trip (P9604).

Provider Needs to Know...

- The per flat rate trip basis travel allowance (P9604) is \$9.55, and the per mile travel allowance (P9603) is \$1.035 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.
- As of August 1, 2008, the per mile allowance rate of \$1.035 cents per mile was computed using the federal mileage rate of \$0.585 cents per mile for automobile expenses plus an additional \$0.45 cents per mile to cover the technician's time and travel costs.

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- Medicare contractors have the option of establishing a higher per mile rate in excess of the minimum of \$1.035 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: Some Medicare contractors have established local policy to pay based on a flat rate basis only.

Examples to Clarify the New Allowances

- **Example 1:** On August 2, 2008, a laboratory technician travels 60 miles round trip from a lab in a city to a remote rural location, and back to the lab to draw a single Medicare patient's blood. The total reimbursement would be \$62.10 (60 miles x 1.035 cents a mile), plus the specimen collection fee.
 - **Example 2:** On August 2, 2008, a laboratory technician travels 40 miles from the lab to a Medicare patient's home to draw blood, and then travels an additional 10 miles to a non-Medicare patient's home and then travels 30 miles to return to the lab. The total miles traveled would be 80 miles. The claim submitted would be for one-half of the miles traveled or \$41.40 (40 x 1.035), plus the specimen collection fee.
 - **Example 3:** A laboratory technician travels from the laboratory to a single Medicare patient's home and returns to the laboratory without making any other stops. The flat rate would be calculated as follows: 2 x \$9.55 for a total trip reimbursement of \$19.10, plus the specimen collection fee.
 - **Example 4:** A laboratory technician travels from the laboratory to the homes of five patients to draw blood, four of the patients are Medicare patients and one is not. An additional flat rate would be charged to cover the 5 stops and the return trip to the lab (6 x \$9.55 = \$57.30). Each of the claims submitted would be for \$11.46 (\$57.30 / 5 = \$11.46). Since one of the patients is non-Medicare, four claims would be submitted for \$11.46 each, plus the specimen collection fee for each.
 - **Example 5:** A laboratory technician travels from a laboratory to a nursing home and draws blood from 5 patients and returns to the laboratory. Four of the patients are on Medicare and one is not. The \$9.55 flat rate is multiplied by two to cover the return trip to the laboratory (2 x \$9.55 = \$19.10) and then divided by five (1/5 of \$19.10 = \$3.82). Since one of the patients is non-Medicare, four claims would be submitted for \$3.82 each, plus the specimen collection fee.
 - **A laboratory will not be allowed to bill for more miles than are reasonable or for miles not actually traveled by the laboratory technician.**
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Background

- Under Part B, Medicare 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 Section 1833(h)(3) of the Social Security Act.
 - Payment is made based on the clinical laboratory fee schedule. (See Section 1833(h)(3) of the Social Security Act at http://www.ssa.gov/OP_Home/ssact/title18/1833.htm on the Internet.)
 - Furthermore, 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).
 - Medicare contractors have the discretion to choose:
 - Either a flat rate or a mileage basis, and
 - How to set each type of allowance.
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Operational
Impact

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

Reference
Materials

The related MLN Matters article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6195.pdf> on the CMS website.

The official instruction (CR6195) regarding this change may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R1584CP.pdf> on the CMS website. The updated *Medicare Claims Processing Manual*, Pub. 100-04, Chapter 16, §60.2, Travel Allowance is an attachment to CR6195.
