



Clinical Laboratory Fee Schedule – Medicare Travel Allowance Fees for Collection of Specimens – JA6524

Related CR Release Date: August 7, 2009

Date Job Aid Revised: August 26, 2009

Effective Date: January 1, 2009

Implementation Date: October 5, 2009

Key Words MM6524, CR6524, 1790CP, Travel, Allowance, Specimens, Collection

Contractors Affected

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

Provider Types Affected Physicians, providers, and suppliers submitting claims to Medicare Carriers, FIs, and/or A/B MACs for clinical laboratory specimen collection services provided to Medicare beneficiaries



- Change Request (CR) 6524 clarifies payment of travel allowances that are based either on a per mileage basis (P9603) or on a flat rate basis (P9604) and updates the Medicare travel allowance fees for collection of specimens for Calendar Year 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.

Payment of Travel Allowance

- Payment of travel allowances are based either on a per mileage basis (Healthcare Common Procedure Coding System (HCPCS) code P9603) or on a flat rate 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.

One Trip for Multiple Specimen Collections

- 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 under either method.
- The travel component is prorated 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 when the average trip to the patients' homes is longer than 20 miles round trip.
- Also, the per mile travel allowance is to be prorated when specimens are drawn from non-Medicare patients in the same trip.
- Where the average trip to the patients' homes exceeds 20 miles round trip, Medicare contractors will pay for **HCPCS code P9603** 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.
- The minimum mileage rate will be reviewed and updated in conjunction with the Clinical Laboratory Fee Schedule 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.

Option of Establishing Higher Rate

- If local conditions warrant it, the Medicare contractors will have the option of establishing a higher per mile rate for HCPCS code P9603 that is in excess of the minimum \$1.00 per mile.

Per Flat-Rate Trip Basis Travel Allowance (HCPCS Code P9604)

- Medicare contractors will pay for **HCPCS code P9604** on a flat-rate trip basis travel allowance of **\$10.00 per trip**.
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Provider Needs to Know...

Background

- 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)).
 - Providers may view Section 1833(h)(3) at http://www.ssa.gov/OP_Home/ssact/title18/1833.htm on the Internet.
 - Payment is made based on the clinical laboratory fee schedule.
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**Operational
Impact**N/A

**Reference
Materials**

The related MLN Matters article® can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6524.pdf> on the CMS website.

The official instruction (CR6524) regarding this change may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R1790CP.pdf> on the CMS website.
