

## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Centers for Medicare & Medicaid Services



MLN Matters® Number: MM9066 **Revised**

Related Change Request (CR) #: CR 9066

Related CR Release Date: February 5, 2015

Effective Date: January 1, 2015

Related CR Transmittal #: R3189CP

Implementation Date: As soon as possible, but not later than April 24, 2015

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

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**Note: This article was revised on February 13, 2015, to reflect a revised CR9066 that was issued on February 5. The CR release date, transmittal number, implementation date, and the Web address for accessing the CR are revised. All other information remains the same.**

#### Provider Types Affected

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This MLN Matters® Article is intended for physicians, other providers, and suppliers submitting claims to Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries.

#### Provider Action Needed

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Change Request (CR) 9066 informs MACs about the revisions to the payment of travel allowances when billed on a per mileage basis using Health Care Common Procedure Coding System (HCPCS) Code P9603 and when billed on a flat rate basis using HCPCS Code P9604 for Calendar Year (CY) 2015. These changes are also made to Chapter 16, Section 60.2 of the “Medicare Claims Processing Manual.” Make sure that your billing staffs are aware of these changes.

#### Background

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CR9066 revises the payment of travel allowances when billed on a per mileage basis using HCPCS Code P9603 and when billed on a flat rate basis using HCPCS Code P9604 for CY 2015. Medicare Part B, allows payment for a specimen collection fee and travel allowance,

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when medically necessary, 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 for these services is made based on the clinical laboratory fee schedule.

### **Travel Allowance**

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. MACs have the discretion to choose either a mileage basis or a flat rate, and how to set each type of allowance. Many MACs established local policy to pay based on a flat rate basis only.

Under either method, when one trip is made for multiple specimen collections (for example, 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 MAC.

### **Per Mile Travel Allowance (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.

The allowance per mile was computed using the Federal mileage rate of \$0.575 per mile plus an additional \$0.45 per mile to cover the technician's time and travel costs. MACs have the option of establishing a higher per mile rate in excess of the minimum \$1.03 per mile if local conditions warrant it (actual total of \$1.025 rounded up to reflect systems capabilities). Medicare reviews and updates the minimum mileage rate throughout the year, as well as in conjunction with the Clinical Laboratory Fee Schedule (CLFS), as needed. At no time may a laboratory bill for more miles than are reasonable, or for miles that are not actually traveled by the laboratory technician.

### **Per Flat-Rate Trip Basis Travel Allowance (P9604)**

The per flat-rate trip basis travel allowance is \$10.30.

## **Additional Information**

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The Internal Revenue Service (IRS) determines the standard mileage rate for businesses based on periodic studies of the fixed and variable costs of operating an automobile.

The official instruction, CR9066 issued to your MAC regarding this change is available at <http://www.cms.hhs.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3189CP.pdf> on the Centers for Medicare & Medicaid Services (CMS) website.

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If you have questions please contact your MAC at their toll-free number. The number is available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/index.html> under - How Does It Work?

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