



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

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Implementation Date: February 12, 2019 or sooner

PROVIDER TYPES AFFECTED

This MLN Matters Article is for physicians, providers, and suppliers billing Medicare Administrative Contractors (MACs) for specimen collection services provided to Medicare beneficiaries.

WHAT YOU NEED TO KNOW

CR11146 revises travel allowances payment amounts when billed on a per mileage basis using HCPCS code P9603 and when billed on a flat rate basis using HCPCS code P9604 for Calendar Year (CY) 2019. Make sure your billing staffs are aware of these changes.

BACKGROUND

Medicare Part B allows payment for a specimen collection fee and travel allowance, 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 Act. Medicare bases the payment for these services on the clinical laboratory fee schedule.

The travel codes allow for payment either on a per mileage basis (P9603) or on a flat rate per trip basis (P9604). Medicare makes payment of the travel allowance 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. MAC discretion allows the MAC to choose either a mileage basis or a flat rate, and how to set each type of allowance. Because of audit evidence that some laboratories abused the per mileage fee basis by claiming travel mileage in excess of the minimum distance necessary for a laboratory technician to travel for specimen collection, 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), Medicare prorates the travel payment component based on the number of specimens collected on that trip for both Medicare and non-Medicare patients, either at the time the laboratory submits the claim or when the flat rate is set by the MAC.

Per Mile Travel Allowance (P9603), the per mile travel allowance is used in situations where the average trip to the patients' homes is longer than 20 miles round trip, and is prorated in situations where the technicians draw specimens from non-Medicare patients in the same trip.

The allowance per mile was computed using the Federal mileage rate of \$0.58 per mile plus an additional \$0.45 per mile to cover the technician's time and travel costs. (The Internal Revenue Service determines the standard mileage rate for businesses based on periodic studies of the fixed and variable costs of operating an automobile.) 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. The minimum mileage rate will be reviewed and updated throughout the year, as well as 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.

Per Flat-Rate Trip Basis Travel Allowance (P9604), the per flat-rate trip basis travel allowance is \$10.30.

ADDITIONAL INFORMATION

The official instruction, CR11146, issued to your MAC regarding this change, is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2019Downloads/R4199CP.pdf>.

If you have questions, your MACs may have more information. Find their website at <http://go.cms.gov/MAC-website-list>.

DOCUMENT HISTORY

Date of Change	Description
January 11, 2019	Initial article released.

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