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The *Clinical Laboratory Fee Schedule Fact Sheet*, which provides general information about the Clinical Laboratory Fee Schedule, coverage of clinical laboratory services, and how payment rates are set, is now available in downloadable format from the Centers for Medicare & Medicaid Services Medicare Learning Network at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/clinical_lab_fee_schedule_fact_sheet.pdf on the CMS website. The *Clinical Laboratory Fee Schedule Fact Sheet*, is also available in print format. To place your order, visit <http://go.cms.gov/MLNGenInfo> scroll down to "Related Links Inside CMS" and select "MLN Product Ordering Page."

MLN Matters Number: MM5996

Related Change Request (CR) #: 5996

Related CR Release Date: May 30, 2008

Effective Date: January 1, 2008

Related CR Transmittal #: R1524CP

Implementation Date: June 30, 2008

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

Note: This article was updated on July 12, 2013, to reflect current Web addresses. All other information remains unchanged.

Provider Types Affected

Clinical laboratories submitting claims to Medicare contractors (carriers, Fiscal Intermediaries (FIs), and/or Part A/B Medicare Administrative Contractors (A/B MACs)) for clinical laboratory services provided to Medicare beneficiaries.

Provider Action Needed



STOP – Impact to You

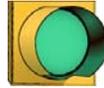
This article is based on Change Request (CR) 5996 which clarifies payment of travel allowances, either on a per mileage basis (P9603) or on a flat rate basis (P9604) for Calendar Year (CY) 2008.

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**CAUTION – What You Need to Know**

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

**GO – What You Need to Do**

See the Background and Additional Information Sections of this article for further details regarding these changes.

Background

Part B of Medicare covers 1) a specimen collection fee and 2) a travel allowance for a laboratory technician to draw the specimen from either a nursing home patient or homebound patient, and 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), 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 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.

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 (IRS). CMS reviews the minimum

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mileage rate and updates it in conjunction with the clinical laboratory fee schedule as needed.

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.

Additional Information

The official instruction, CR 5996, issued to your carrier, FI, and A/B MAC regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R1524CP.pdf> on the CMS website.

If you have any questions, please contact your carrier, FI, or A/B MAC at their toll-free number, which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

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