

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-04 Medicare Claims Processing</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 2306</b>	<b>Date: September 16, 2011</b>
	<b>Change Request 7526</b>

**NOTE: Transmittal 2283 dated August 26, 2011, is rescinded and replaced by Transmittal 2306 dated September 16, 2011, to reflect the following changes. All other material remains the same.**

- 1) Under B. Policy – the second sentence in fourth paragraph should read “Contractors have the option of establishing a higher per mile rate in excess of the minimum \$1.01 per mile (actual total of \$1.005 rounded up to reflect systems capabilities) if local conditions warrant it”.**
- 2) Business requirement 7526.2 should read “Contractors shall pay for code P9603, where the average trip to the patients’ homes exceeds 20 miles round trip, at \$0.555 per mile, plus an additional \$0.45 per mile to cover the technician’s time and travel costs, for a total of \$1.01 per mile (actual total of \$1.005 rounded up to reflect systems capabilities)”.**
- 3) Business requirement 7526.3 should read “Contractors shall have the option of establishing a higher per mile rate for code P9603, in excess of the minimum \$1.01 per mile (actual total of \$1.005 rounded up to reflect systems capabilities), if local conditions warrant it”.**

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

**I. SUMMARY OF CHANGES:** This Change Request (CR) revises 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 CY 2011. The attached RUN applies to Chapter 16, section 60.2 of the IOM.

**EFFECTIVE DATE: July 1, 2011**

**IMPLEMENTATION DATE: November 29, 2011**

*Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.*

**II. CHANGES IN MANUAL INSTRUCTIONS:** (N/A if manual is not updated)  
R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	

**III. FUNDING:**

**For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs).**

No additional funding will be provided by CMS; Contractor activities are to be carried out within their operating budgets.

**For Medicare Administrative Contractors (MACs):**

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

**IV. ATTACHMENTS:**

**Recurring Update Notification**

*\*Unless otherwise specified, the effective date is the date of service.*

# Attachment – Recurring Update Notification

Pub. 100-04

Transmittal: 2306

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

**Effective Date: July 1, 2011**

**Implementation Date: November 29, 2011**

## **I. GENERAL INFORMATION**

### **A. Background:**

This Change Request (CR) revises 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 CY 2011.

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. Payment for these services is made based on the clinical laboratory fee schedule.

### **B. Policy:**

Travel Allowance – The travel codes allow for payment either on a per mileage basis (P9603) or on a flat rate per trip basis (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. Contractor discretion allows

the contractor 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 contractors established local policy to pay based on a flat rate basis only.

Under either method, 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 contractor.

**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 \$0.555 per mile plus an additional \$0.45 per mile to cover the technician’s time and travel costs. Contractors have the option of establishing a higher per mile rate in excess of the minimum \$1.01 per mile (actual total of \$1.005 rounded up to reflect systems capabilities) 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 \$10.05.

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

## II. BUSINESS REQUIREMENTS TABLE

Number	Requirement	Responsibility									
		A / B	D M E	F I	C A R R I E R	R H H I	Shared-System Maintainers				Other
		M A C	M A C				F I S S	M C S	V M S	C W F	
7526.1	Contractors shall use the CY 2011 Travel Allowance for determining payment on a per mileage basis (P9603) or on a flat rate per trip basis (P9604) where applicable under Section 1833(h)(3) of the Act.	X		X	X						
7526.2	Contractors shall pay for code P9603, where the average trip to the patients’ homes exceeds 20 miles round trip, at \$0.555 per mile, plus an additional \$0.45 per mile to cover the technician’s time and travel costs, for a total of \$1.01 per mile (actual total of \$1.005 rounded up to reflect systems capabilities).	X		X	X						
7526.3	Contractors shall have the option of establishing a higher	X		X	X						

Number	Requirement	Responsibility									
		A / B	D M E	F I	C A R R I E R	R H H I	Shared-System Maintainers				Other
							F I S S	M C S	V M S	C W F	
	per mile rate for code P9603, in excess of the minimum \$1.01 per mile (actual total of \$1.005 rounded up to reflect systems capabilities), if local conditions warrant it.										
7526.4	Contractors shall pay for code P9604 on a flat-rate trip basis travel allowance of \$10.05.	X		X	X						
7526.5	Contractors shall not search their files to either retract payment for claims already paid or to retroactively pay claims. However, contractors shall adjust claims brought to their attention.	X		X	X						



No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

**Section B: *For Medicare Administrative Contractors (MACs):***

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.