
Medicare

Provider Reimbursement Manual - Part 1

Department of Health and
Human Services (DHHS)
HEALTH CARE FINANCING
ADMINISTRATION (HCFA)

Transmittal 420

Date: MARCH 14, 2001

HEADER SECTION NUMBERS

PAGES TO INSERT

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1412.6 - 1412.6 (Cont.)

14-29 - 14-30 (2 pp.)

14-29 - 14-30 (2 pp.)

NEW/REVISED MATERIAL--EFFECTIVE DATE: Services Furnished On or After January 22, 2000.

Section 1412.6, Travel Expense, has been revised to reflect the change in the mileage rate and effective date established by the General Services Administration (GSA). The allowance for travel expense for therapy services furnished under arrangements is based on the GSA mileage rate. The revised mileage rate is \$.345 per mile.

DISCLAIMER: The revision date and transmittal number only apply to the redlined material. All other material was previously published in the manual and is only being reprinted.

For physical therapy services, the Bureau of Labor Statistics (BLS) September 1978 Industry Wage Survey for Hospitals and Nursing Homes (Bulletin 2069) contains data on the salaries of supervisors and staff therapists in major metropolitan areas. The BLS data may be used to determine an appropriate differential for physical therapy supervisors when it is not administratively feasible to base the additional allowance on that actual differential paid by comparable providers in the area. (The BLS data are available at the HCFA regional offices.) Application of the BLS data to an individual provider is subject to the actual circumstances at that provider and the extent of the therapists' administrative and supervisory responsibilities. It remains the intermediary's responsibility to evaluate these circumstances and determine the differential accordingly. Comparable BLS data are not available for respiratory therapy services.

If the supervisory or administrative functions are not performed at the provider site, but the supervisor is acting more in the capacity of an administrator of the contracting organization, the costs are not separately reimbursable. Any compensation is considered to be in the fringe benefit and expense factor for the outside supplier's overhead, and any hours of service are not considered in determining the program limitations under this chapter.

1412.6 Travel Expense--The travel expense is an additional allowance to assure adequate recognition of the travel expenses of an outside supplier. This travel expense must be included for each day an outside supplier travels to a provider site or for each visit to a patient's residence to perform home health services. The standard travel expense is given in addition to the standard travel allowance listed in the guideline limits. (See ' 1402.4.)

If a home health agency uses the optional travel allowance described in ' 1409.1.B, an additional amount per mile for travel costs to each visit site may be included rather than the standard travel expense, provided the mileage is accurately recorded by the outside supplier and the record of the mileage is approved and maintained by the home health agency.

The allowance for travel expense is based on the mileage rate established by the General Services Administration (GSA) in the Federal Travel Regulations for the use of privately owned vehicles. The standard travel expense is set at 10 times the GSA mileage rate while the optional mileage expense for home health agencies is set at the actual GSA mileage rate.

GSA is required by statute to conduct investigations of the cost of travel and the operation of privately owned vehicles and to report the results to the Congress annually. The report to the Congress and the resultant change in the mileage rate under Federal Travel Regulations are published in the Federal Register.

The standard travel expense rates and applicable effective dates are listed below. After July 1, 1982, changes in the travel expense allowance are effective as of the effective date of a change in the mileage rate established by the GSA in the Federal Travel Regulations.

REASONABLE COST OF THERAPY AND OTHER SERVICES
FURNISHED BY OUTSIDE SUPPLIERS

1412.6 (Cont.) 03-01

Rate Per Day or Per Visit	Rate Per Mile for HHA Using Optional Travel Allowance	Effective Date
\$1.50	\$.15	04/01/75 - 09/30/77
\$1.70	\$.17	10/01/77 - 06/30/79
\$1.85	\$.185	07/01/79 - 04/19/80
\$2.00	\$.20	04/20/80 - 10/04/80
\$2.25	\$.225	10/05/80 - 06/30/82
\$2.00	\$.20	07/01/82 - 06/18/83
\$2.05	\$.205	06/19/83 - 07/31/87
\$2.10	\$.21	08/01/87 - 08/13/88
\$2.25	\$.225	08/14/88 - 09/16/89
\$2.40	\$.24	09/17/89 - 06/29/91
\$2.50	\$.25	06/30/91 - 12/30/94
\$3.00	\$.30	01/01/95 - 06/06/96
\$3.10	\$.31	06/07/96 - 09/07/98
\$3.25	\$.325	09/08/98 - 03/31/99
\$3.10	\$.31	04/01/99 - 01/13/00
\$3.25	\$.325	01/14/00 - 01/21/01
\$3.45	\$.345	01/22/01

1412.7 **Services at Supplier's Site.**--Therapy services may be furnished on the premises of the outside supplier if the equipment needed for the services is not available at the provider site or the patient's place of residence. Where the equipment necessary to perform the required services is not readily available at the provider site (or at the patient's place of residence, in the case of home health agencies as explained in '206.5 of the Home Health Agency Manual), and such services are performed under arrangements at the facilities of an outside supplier which is also a provider, the intermediary includes an additional allowance to reflect the facility costs incurred by the outside supplier in furnishing the services at its facilities. Facility costs include an allowance for building depreciation, properly allocated to the patient care area and apportioned on the basis of services performed, and a proportionate share of the costs of building maintenance.

Administrative and general costs are not considered facility costs for the purpose of this additional allowance since the guidelines already reflect the administrative costs incurred by the contractor in furnishing therapy services. In order for this allowance for facility costs to be granted, the therapy service must be performed at the facilities of an outside supplier which is a participating hospital, SNF, HHA, rehabilitation agency, clinic, or public health agency.