



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

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Provider Types Affected

This MLN Matters Article is for laboratories and providers billing Medicare Administrative Contractors (MACs) for specimen collection services they provide to Medicare patients.

Provider Action Needed

In this Article, you'll learn about

- Calendar Year (CY) 2022 changes to travel allowances when you bill:
 - On a per mileage basis using HCPCS code P9603
 - On a flat rate basis using HCPCS code P9604

Make sure your billing staff knows about 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 Social Security Act](#). CMS pays for these services using the Clinical Laboratory Fee Schedule (CLFS).

Per Mile Travel Allowance (P9603)

The HCPCS travel codes allow for payment either on a per mileage basis (P9603) or on a flat rate per trip basis (P9604). We make payment for the travel allowance only if a specimen collection fee is also payable.

The travel allowance covers 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.

Many MACs have a local policy to pay based on a flat rate basis only, because of audit

evidence that some laboratories abused the per mileage fee basis by claiming travel mileage in excess of the minimum distance needed for a technician to travel for specimen collection.

Under either method, when you travel for multiple specimen collections (for example, at a nursing home), we prorate the travel payment component on the number of specimens collected on that trip, for both Medicare and non-Medicare patients. We do this either at the time you submit the claim or when the MAC sets the flat rate.

You should use the per mile travel allowance 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.

We compute the allowance per mile by using the Federal mileage rate of \$0.585 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 \$1.04 per mile (the actual total of \$1.035 rounded up), if local conditions warrant it. We will review and update the minimum mileage rate throughout the year, as well as in conjunction with the CLFS, as needed. We don't allow the laboratory to bill for more miles than are reasonable, or for miles that the laboratory technician doesn't actually travel.

Per Flat-Rate Trip Basis Travel Allowance (P9604)

The per flat-rate trip basis travel allowance is \$10.40.

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

MACs will adjust previously paid travel allowance claims with dates of service on or after January 1, 2022, in order to apply the updated payment rate. Your MAC will start those adjustments within 60 days of the implementation of CR 12593.

More Information

We issued [CR 12593](#) to your MAC as the official instruction for this change.

For more information, [find your MAC's website](#).

Document History

Date of Change	Description
January 18, 2022	Initial article released.

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