



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

MLN Matters Number: MM11641

Related Change Request (CR) Number: 11641

Related CR Release Date: January 17, 2020

Effective Date: January 1, 2020

Related CR Transmittal Number: R4495CP

Implementation Date: February 18, 2020

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.

PROVIDER ACTION NEEDED

CR 11641 revises the payment of travel allowances 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) 2020. 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 Social Security Act. Medicare pays for these services based on the Clinical Laboratory Fee Schedule (CLFS).

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 your 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), 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 MAC.

Per Mile Travel Allowance (P9603), The per mile travel allowance (P9603) 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 **\$0.575** 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 **\$1.03 per mile (actual total of \$1.025 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 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) travel allowance is \$10.30.

Note: Your MAC will not search their files to either retract payment for claims already paid or to retroactively pay claims. However, they will adjust claims that you bring to their attention.

ADDITIONAL INFORMATION

The official instruction, CR11641, issued to your MAC regarding this change is available at <https://www.cms.gov/files/document/r4495cp.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 17, 2020	Initial article released.

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