



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

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Related Change Request (CR) Number: 12140

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Implementation Date: No later than March 19, 2021

PROVIDER TYPE AFFECTED

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

PROVIDER ACTION NEEDED

This article informs you about the Calendar Year (CY) 2021 changes to travel allowances when billed:

- On a per mileage basis using HCPCS code P9603
- On a flat rate basis using HCPCS code P9604

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 (CLFS).

Make sure that your billing staffs are aware of these changes.

BACKGROUND

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 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. 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), Medicare prorates the travel payment component based on the number of specimens you collected on that trip, for both Medicare and non-Medicare patients, either at the time the you submit the claim or when the MAC sets the flat rate.

Per Mile Travel Allowance (P9603) – 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 prorated in situations where specimens are drawn from non-Medicare patients in the same trip.

CMS computes the allowance per mile by using the Federal mileage rate of \$0.56 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 \$1.01 per mile, if local conditions warrant it. CMS will review and update the minimum mileage rate throughout the year, as well as in conjunction with the CLFS, as needed. CMS doesn'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 CY 2021 per flat-rate trip basis travel allowance is \$10.10.

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

Note that MACs won't search their files to either retract payment for claims already paid or to retroactively pay claims. However, they will adjust claims you bring to their attention.

ADDITIONAL INFORMATION

The official instruction, CR 12140, issued to your MAC regarding this change is available at <https://www.cms.gov/files/document/r10615cp.pdf>. The CR also updates Chapter 16, Section 60.2 of the Medicare Claims Processing Manual to reflect these changes.

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
March 9, 2021	Initial article released.

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