

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Centers for Medicare & Medicaid Services



**News Flash** – If you are a provider or supplier that furnishes the technical component of Advanced Diagnostic Imaging (ADI) services and bill Medicare under the Physician Fee Schedule for these services, you should know that you must be accredited by Sunday, January, 1, 2012. Those not accredited by that deadline will not be able to bill Medicare until they become accredited. For more information about ADI Accreditation, including details of the accreditation process and the organizations approved by the Centers for Medicare & Medicaid Services (CMS) to grant accreditation, please visit [http://www.CMS.gov/MedicareProviderSupEnroll/03\\_AdvancedDiagnosticImagingAccreditation.asp](http://www.CMS.gov/MedicareProviderSupEnroll/03_AdvancedDiagnosticImagingAccreditation.asp) on the CMS website. A Medicare Learning Network (MLN) Special Edition Article (SE1122) – “Important Reminders about Advanced Diagnostic Imaging (ADI) Accreditation Requirements” – has also been published and is available at <http://www.CMS.gov/MLNMattersArticles/Downloads/SE1122.pdf> on the CMS website.

MLN Matters® Number: MM7526

Related Change Request (CR) #: 7526

Related CR Release Date: August 26, 2011

Effective Date: July 1, 2011

Related CR Transmittal #: R2283CP

Implementation Date: November 29, 2011

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

### Provider Types Affected

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Clinical Laboratories submitting claims to Medicare contractors (Carriers, Fiscal Intermediaries (FIs), and/or A/B Medicare Administrative Contractors (A/B MACs)) for specimen collection services provided to Medicare beneficiaries are affected.

### Provider Action Needed

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This article is based on Change Request (CR) 7526, which revises the payment of travel allowances for specimen collection services 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 Calendar Year (CY) 2011.

#### Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2010 American Medical Association.

The per mile travel allowance (P9603) for services on or after July 1, 2011, is \$1.005 per mile and the per flat-rate trip basis travel allowance (P9604) is \$10.05. Payment of the travel allowance is made only if a specimen collection fee is also payable. Your Medicare contractor has the option of establishing a higher per mile rate in excess of the minimum \$1.005 per mile if local conditions warrant it. Be sure your staffs are aware of these changes.

## Background

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CR7526 revises the CY 2011 payment of travel allowances when billed either on a:

- Per mileage basis using HCPCS code P9603, or
- Flat rate basis using HCPCS code P9604.

**Note:** 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.

Medicare contractors have the discretion to choose either the mileage basis or flat rate. In addition, your Medicare contractor can choose how to set each type of allowance. Also, 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. This is done either:

- At the time the claim is submitted by the laboratory, or
- When the flat rate is set by the Medicare contractor.

**Per Mile Travel Allowance (P9603) – The per mile travel allowance is a minimum of \$1.005 per mile.** This per mile travel allowance rate is used 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.

The allowance per mile rate 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 for a total of \$1.005 per mile. 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.

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**Per Flat-Rate Trip Basis Travel Allowance (P9604) – The per flat-rate trip basis travel allowance is \$10.05.**

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

### **Additional Information**

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The official instruction, CR7526, issued to your FI, Carrier and A/B MAC regarding this change may be viewed at <http://www.cms.gov/Transmittals/downloads/R2283CP.pdf> on the CMS website.

If you have any questions, please contact your FI, Carrier or A/B MAC at their toll-free number, which may be found at <http://www.cms.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

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