

LAB TRAVEL ALLOWANCE

Q.

What are the Medicare rules regarding reimbursement for travel when we send a lab tech to a nursing home to collect blood specimens?

A.

Answer: The regulations pertaining to billing for travel reimbursement are found in Chapter 16 - Laboratory Services of the Medicare Claims Processing Manual.

Here is a link and an excerpt:

<https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c16.pdf>

60.2 - Travel Allowance

(Rev. 3942; Issued: 12-22-17; Effective: 01-01-18; Implementation: 01-22-18)

In addition to a specimen collection fee allowed under §60.1, Medicare, under Part B, covers a specimen collection fee and travel allowance for a laboratory technician to draw a specimen from either a nursing home patient or homebound patient under §1833(h)(3) of the Act and payment is made based on the clinical laboratory fee schedule. The travel allowance is intended to cover the estimated travel costs of collecting a specimen and to reflect the technician's salary and travel costs.

The additional allowance can be made only where a specimen collection fee is also payable, i.e., no travel allowance is made where the technician merely performs a messenger service to pick up a specimen drawn by a physician or nursing home personnel. The travel allowance may not be paid to a physician unless the trip to the home, or to the nursing home was solely for the purpose of drawing a specimen. Otherwise travel costs are considered to be associated with the other purposes of the trip.

The travel allowance is not distributed by CMS. Instead, the carrier must calculate the travel allowance for each claim using the following rules for the particular Code. The following HCPCS codes are used for travel allowances:

Per Mile Travel Allowance (P9603)

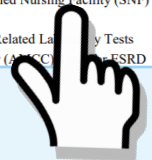
- ▶ The minimum "per mile travel allowance" is \$1.00. The per mile travel allowance is to be used in situations where the average trip to patients' homes is longer than 20 miles round trip, and is to be pro-rated in situations where specimens are drawn or picked up from non-Medicare patients in the same trip. - one way, in connection with medically necessary laboratory specimen collection drawn from homebound or nursing home bound patient; prorated miles actually traveled (carrier allowance on per mile basis); or

Medicare Claims Processing Manual Chapter 16 - Laboratory Services

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(Rev. 4000, 03-16-18)

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- ▶ The per mile allowance was computed using the Federal mileage rate plus an additional 45 cents a 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 (\$1.00 a mile in CY 2018) if local conditions warrant it. The minimum mileage rate will be reviewed and updated in conjunction with the clinical lab fee schedule as needed. At no time will the laboratory be allowed to bill for more miles than are reasonable or for miles not actually traveled by the laboratory technician.

Example 1: In CY 2018, a laboratory technician travels 60 miles round trip from a lab in a city to a remote rural location, and back to the lab to draw a single Medicare patient's blood. The total reimbursement would be \$60.00 (60 miles x \$1.00 a mile), plus the specimen collection fee.

Example 2: In CY 2018, a laboratory technician travels 40 miles from the lab to a Medicare patient's home to draw blood, and then travels an additional 10 miles to a non-Medicare patient's home and then travels 30 miles to return to the lab. The total miles traveled would be 80 miles. The claim submitted would be for one half of the miles traveled or \$40.00 (40 x \$1.00), plus the specimen collection fee.

Flat Rate (P9604):

The CMS will pay a minimum of \$10.00 (based on CY 2018) one way flat rate travel allowance. The flat rate travel allowance is to be used in areas where average trips are less than 20 miles round trip. The flat rate travel fee is to be pro-rated for more than one blood drawn at the same address, and for stops at the homes of Medicare and non-Medicare patients. The laboratory does the pro-ration when the claim is submitted based on the number of patients seen on that trip. The specimen collection fee will be paid for each patient encounter.

This rate is based on an assumption that a trip is an average of 15 minutes and up to 10 miles one way. It uses the Federal mileage rate and a laboratory technician's time of \$17.66 an hour, including overhead. Contractors have the option of establishing a flat rate in excess of the minimum of \$10.00, if local conditions warrant it. The minimum national flat rate will be reviewed and updated in conjunction with the clinical laboratory fee schedule, as necessitated by adjustments in the Federal travel allowance and salaries.

The claimant identifies round trip travel by use of the LR modifier:

Example 3: A laboratory technician travels from the laboratory to a single Medicare patient's home and returns to the laboratory without making any other stops. The flat rate would be calculated as follows: 2 x \$10.00 for a total trip reimbursement of \$20.00, plus the specimen collection fee.

Example 4: A laboratory technician travels from the laboratory to the homes of five patients to draw blood, four of the patients are Medicare patients and one is not. An additional flat rate would be charged to cover the 5 stops and the return trip to the lab (6 x \$10.00 = \$60.00). Each of the claims submitted would be for \$12.00 (\$60.00/5 = \$12.00). Since one of the patients is non-Medicare, four claims would be submitted for \$12.00 each, plus the specimen collection fee for each.

Example 5: A laboratory technician travels from a laboratory to a nursing home and draws blood from 5 patients and returns to the laboratory. Four of the patients are on Medicare and one is not. The \$10.00 flat rate is multiplied by two to cover the return trip to the laboratory (2 x \$10.00 = \$20.00) and then divided by five (1/5 of \$20.00 = \$4.00). Since one of the patients is non-Medicare, four claims would be submitted for \$4.00 each, plus the specimen collection fee.

If a carrier determines that it results in equitable payment, the carrier may extend the former payment allowances for additional travel (such as to a distant rural nursing home) to all circumstances where travel is required. This might be appropriate, for example, if the carrier's former payment allowance was on a per mile basis. Otherwise, it should establish an appropriate allowance and inform the suppliers in its service area. If a carrier decides to establish a new allowance, one method is to consider developing a travel allowance consisting of:

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The current Federal mileage allowance for operating personal automobiles, plus a personnel allowance per mile to cover personnel costs based upon an estimate of average hourly wages and average driving speed.

Carriers must prorate travel allowance amounts claimed by suppliers by the number of patients (including Medicare and non-Medicare patients) from whom specimens were drawn on a given trip.

The carrier may determine that payment in addition to the routine travel allowance determined under this section is appropriate if:

- ▶ The patient from whom the specimen must be collected is in a nursing home or is homebound; and
- ▶ The clinical laboratory tests are needed on an emergency basis outside the general business hours of the laboratory making the collection
- ▶ Subsequent updated travel allowance amounts will be issued by CMS via Recurring Update Notification (RUN) on an annual basis

<https://www.irs.gov/pub/irs-drop/n-18-03.pdf>

2018 Standard Mileage Rates

Notice 2018-03

SECTION 1. PURPOSE

This notice provides the optional 2018 standard mileage rates for taxpayers to use in computing the deductible costs of operating an automobile for business, charitable, medical, or moving expense purposes. This notice also provides the amount taxpayers must use in calculating reductions to basis for depreciation taken under the business standard mileage rate, and the maximum standard automobile cost that may be used in computing the allowance under a fixed and variable rate (FAVR) plan.

SECTION 2. BACKGROUND

Rev. Proc. 2010-51, 2010-51 I.R.B. 883, provides rules for computing the deductible costs of operating an automobile for business, charitable, medical, or moving expense purposes, and for substantiating, under § 274(d) of the Internal Revenue Code and § 1.274-5 of the Income Tax Regulations, the amount of ordinary and necessary business expenses of local transportation or travel away from home. Taxpayers using the standard mileage rates must comply with Rev. Proc. 2010-51. However, a taxpayer is not required to use the substantiation methods described in Rev. Proc. 2010-51, but



In addition to a specimen collection fee allowed under §60.1, Medicare, under Part B, covers a specimen collection fee and travel allowance for a laboratory technician to draw a specimen from either a nursing home patient or homebound patient under §1833(h)(3) of the Act and payment is made based on the clinical laboratory fee schedule.
