

Part B Insider (Multispecialty) Coding Alert

LABS: Travel Allowance for Fee Collection Benefits Labs That Bill Part B

Remember: Medicare will pay a travel allowance to draw specimens from nursing home or homebound patients

If the cost of fuel is eating up your reimbursement when your lab technician travels to houses or nursing homes to collect specimens, Medicare has a solution.

CMS Transmittal 1524, effective June 30, reminds practices that Medicare allows reimbursement for -estimated travel costs of collecting the specimen,- and Medicare carriers will pay either a flat rate or mileage basis, or can determine a different way to set the allowance, according to MLN Matters article MM5996, which covers this issue.

Per mile: To bill using the per-mile travel allowance, report P9603 (Travel allowance, one way in connection with lab specimen collection), which Part B pays at \$0.955 cents per mile.

-You can use this code if you travel longer than 20 miles round trip,- said **Tina Landskroener, CMBS-I, CCS-P, CPC**, office manager with **Blessing Physician Services**, during the June 25 audioconference, -Critical NCCI Update for Third Quarter 2008.-

-Payment using P9603 is prorated if you pick up any non-Medicare specimens along the way,- Landskroener says.

Example: Suppose your lab technician travels 60 miles round-trip from the lab in the city to a remote rural location and back to the lab to draw a single Medicare patient's blood. The total reimbursement would be \$57.30, which is the 60 miles times the \$0.955 cents per mile, Landskroener says. In addition, you also can charge for the specimen collection fees.

Flat rate: The alternative is to report P9604 (Travel allowance, one way in connection with a lab specimen collection) and collect the flat rate trip payment of \$9.55 for each one-way trip.

Important: The lab specimen collection must be the only service that your lab tech is performing if you want to collect the travel allowance, Landskroener says. -If you're taking a blood pressure or doing any other assessments,- then you can't bill for the travel.

Round trip: For round trip travel, append modifier LR (Laboratory round trip) to either P9603 or P9604, Landskroener advises.

To read the entire MLN Matters article, go to www.cms.hhs.gov/MLNMattersArticles/downloads/MM5996.pdf.