



## Travel Allowance Fees for Specimen Collection – 2025 Updates

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<b>Implementation Date:</b> January 6, 2025	<b>Related CR Transmittal Number:</b> R13037CP
<b>Related CR Title:</b> Clinical Laboratory Fee Schedule – Medicare Travel Allowance Fees for Collection of Specimens and New Updates for 2025	

### Affected Providers

- Laboratories
- Laboratory technicians
- Other providers billing Medicare Administrative Contractors (MACs) for specimen collection services they provide to Medicare patients

### Action Needed

Make sure your billing staff knows about these updates:

- CY 2025 specimen collection fees and travel allowance mileage rate
- Determining eligibility for the specimen collection fee
- Travel allowance policies

### Background

CR 13947 revises travel allowance payment for CY 2025 when:

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

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This CR also revises the [Medicare Claims Processing Manual, Chapter 16](#), sections 60.1 and 60.2.

We pay for specimen collection fees when it's medically necessary for a trained technician to draw a specimen from either a nursing home patient, a non-hospital inpatient, or a homebound patient. We base this payment on the clinical laboratory fee schedule (CLFS).

### **Specimen Collection Policy**

We update specimen collection fees annually based on the Consumer Price Index for All Urban Consumers (CPI-U) (U.S. city average) for the 12-month period ending June 30 of the year preceding the update year (July 1, 2023–June 30, 2024). The CY 2025 CPI-U is 3%.

For CY 2025, we've increased the general specimen collection fee from \$8.83 to \$9.09. Per requirements in the [Protecting Access to Medicare Act of 2014](#), we'll increase the general specimen collection fee by \$2 for those specimens collected from a Medicare patient in a skilled nursing facility (SNF) or by a laboratory on behalf of a home health agency (HHA), resulting in a specimen collection fee of \$11.09 for those patients.

A specimen is eligible for a specimen collection fee if it's:

- Used to perform a Clinical Diagnostic Laboratory Test (CDLT) paid under the CLFS regulations at [42 CFR 414.523](#)
- Collected by a trained technician from a Medicare patient who's homebound, as described in [42 CFR 424.22\(a\)\(1\)\(ii\)](#), or is a non-hospital inpatient but only when no qualified personnel are available at the facility to collect the specimen
- A blood specimen collected through venipuncture or a urine sample collected by catheterization

A specimen collection fee isn't payable for any other specimen types, including blood samples where the cost to collect the specimen is minimal (such as a throat culture or a routine capillary puncture for clotting or bleeding time). We only allow 1 collection fee for each type of specimen for each patient encounter, regardless of the number of specimens drawn.

For example:

- If you draw different types or multiple specimens from 1 patient, we only allow 1 specimen collection fee
- If we require the patient to complete a series of specimens as a single test (such as a glucose tolerance test), we treat the series as a single encounter

A trained technician must personally draw the specimen (venipuncture or urine sample by catheterization). We don't pay visiting technicians specimen collection fees if either:

- The patient in a facility isn't confined to the facility
- The facility has personnel on duty qualified to perform the specimen collection

These services are medically necessary when a trained technician draws a blood specimen from a homebound or an institutionalized patient. A patient doesn't need to be bedridden to be homebound.

If the specimen requires only messenger services and not the skills of a trained technician (urine or sputum), we don't consider specimen pickup services medically necessary.

“Trained technician” refers to those staff who provide specimen collection services. However, the term doesn’t mandate certain educational requirements, and for specimen collection purposes, the term includes phlebotomists.

As a reminder, these codes describe specimen collection:

- 36415: Collection of venous blood by venipuncture
- G0471: Collection of venous blood by venipuncture or urine sample by catheterization from an individual in a skilled nursing facility (snf) or by a laboratory on behalf of a home health agency (hha)
- P9612: Catheterization for collection of specimen, single patient, all places of services
- P9615: Catheterization for collection of specimen(s) (multiple patients)

### **Travel Allowance Policy**

42 CFR 414.523(a)(2) reflects travel allowance requirements for specimen collection. Per section 1833(h)(3)(B) of the [Social Security Act](#), we include the following travel allowance methodology:

- A general requirement
- Travel allowance basis requirements
- Travel allowance amount requirements

In addition, we have the following policies:

- We pay travel allowance fees when we pay specimen collection fees. Medicare Claims Processing Manual, Chapter 16, section 60.1 and 42 CFR 414.523(a)(1) describe specimen collection payment requirements. We don’t pay travel allowance amounts if you don’t meet these requirements.
- We don’t consider travel for simple specimen pickup or for specimen collection not requiring trained technician services in calculating the travel allowance. We only pay travel allowance amounts if a specimen collection fee is also payable. For example, we don’t pay a travel allowance amount if a trained technician only performs messenger services to pick up a specimen drawn by other technicians.
- We only pay travel allowances when a trained technician draws a specimen from a patient who’s either:
  - In an inpatient facility that isn’t a hospital
  - A homebound patient
- We make only 1 travel allowance payment for specimen collection per Medicare patient, per patient’s location, and only when the patient requires the specimen collection for performing CDLTs. We only consider Medicare patients and their location when receiving specimen collection services in calculating travel allowance payments. We don’t include non-Medicare patients in any travel allowance calculation.

## Travel Allowance Eligible Miles

We include eligible miles in calculating the travel allowance amount if they:

- Begin at the laboratory or the starting point of the trained technician's travel for specimen collection purposes
- End at the laboratory or the ending point of the trained technician's travel for specimen collection

Laboratories permanently have the option to maintain electronic documentation of miles traveled to cover transportation and personnel expenses of trained technicians who travel to a patient's location to collect a specimen sample. This applies only to specimens collected to conduct CDLTs. Laboratories:

- May use electronic and other documentation to demonstrate miles traveled for specimen collection purposes
- Must be able to produce electronic documentation in a manner that they can share with MACs
- Should continue to consult with their MAC regarding the format and process for submitting such information, if necessary

## Travel Allowance Mileage Rate

The Social Security Act requires travel allowance payments to cover both the transportation and personnel expenses for trained technicians to travel to a patient's location and collect a sample. The travel allowance mileage rate reflects both components.

- **Transportation:** Equals the IRS standard mileage rate, which the IRS updates periodically. It includes considerations for the deductible costs of operating an automobile for business, charitable, medical, or moving for the purpose of calculating federal taxes.
- **Personnel:** Includes where the trained technician's personnel expenses are based on a wages-per-mile amount. As of January 1, 2023, we use wage data in the Bureau of Labor Statistics (BLS)-defined category of phlebotomist to establish the personnel expense component of the travel allowance mileage rate.

We use the latest available published figure for the median hourly wage amount for phlebotomists, which the BLS publishes, to annually update the travel allowance amount.

We calculate a per-mile amount to derive the approximate number of miles traveled by the trained technician each hour by using average driving speed (40 miles per hour (mph)). We multiply this speed (40 mph) by the trained technician's estimated wages, resulting in the wages per mile amount—the personnel expenses associated with travel for specimen collection. We set the average at 40 mph because most travel for specimen collection occurs in local and residential areas.

### Personnel expenses component equation:

$$\text{Personnel expenses} = \text{Most recent phlebotomist median hourly wage} \div 40 \text{ (mph)}$$

We add the personnel expenses component rate to the IRS standard mileage rate (transportation component) to calculate the total travel allowance mileage rate.

## Updates to the Travel Allowance Mileage Rate

We make annual updates to the travel allowance mileage rate based on the:

- Most recently published IRS standard mileage rate
- Most recently published phlebotomist wage rate, as published by BLS

The revised travel allowance mileage rate will be effective for the January 2025 CLFS fee schedule file update.

For CY 2025, the travel allowance mileage rate is \$1.20, based on both:

- The IRS standard mileage rate, which is \$0.70
- The most recent median BLS-published hourly wage, which is \$20.10, divided by 40 to represent the average miles-per-hour driving speed, which is \$0.50

## Travel Allowance Bases: Flat-Rate and Per-Mile

We pay for travel allowance based on a:

- Flat-rate travel allowance
- Per-mile travel allowance

### Flat-Rate Travel Allowance

We apply the flat-rate travel allowance when the trained technician travels 20 eligible miles or less to and from 1 location for specimen collection from 1 or more Medicare patients.

Laboratories use HCPCS code P9604 to bill Medicare for flat-rate travel allowance payment. We prorate these payments by the number of patients for which a specimen collection fee applies.

### Calculation: Flat-Rate Travel Allowance Basis

We calculate the flat-rate travel allowance basis payment with a 2-step process:

1. We multiply the travel allowance mileage rate by 10
2. We divide that result by the number of patients for which a specimen collection fee applies

We divide by the number of patients to make sure:

- We distribute the flat-rate travel allowance to each patient receiving specimen collection services
- We calculate payment in an operationally feasible manner since each laboratory must submit a claim for each patient to receive the travel allowance payment

We use this method to distribute a fixed payment amount to all patients in a specific location for which a specimen collection fee applies.

## Per-Mile Travel Allowance

We apply the per-mile travel allowance in 2 circumstances:

1. When the round-trip travel to 1 location is greater than 20 eligible miles for specimen collection from 1 or more patients
2. When travel is to more than 1 location, regardless of the number of miles traveled

Laboratories use HCPCS code P9603 to bill Medicare for per-mile travel allowance payment. We prorate these payments by the number of patients for which a specimen collection fee applies.

### Calculation: Per-mile Travel Allowance Basis

We calculate the per-mile travel allowance payment by:

1. Multiplying the number of eligible miles by the travel allowance mileage rate, then
2. Dividing by the number of patients for which a specimen collection fee applies

This quotient yields a prorated travel allowance amount per patient. The laboratory receives payment for the total number of eligible miles traveled for specimen collection, distributed equally to each Medicare patient for which a specimen collection fee applies. The laboratory submits P9603 for per-mile travel allowance payment for each patient for which a specimen collection fee applies.

**Note:** Deductible and coinsurance don't apply to the specimen collection amount for CDLTs.

Your MAC will adjust previously paid travel allowance claims with dates of service on or after January 1, 2025, to apply the updated payment rate. Your MAC will initiate those adjustments within 60 days, if we pay claims at the prior year's rates before their systems have the new rates.

## More Information

We issued CR 13947 to your MAC as the official instruction for this change. For more information, find your [MAC's website](#).

## Document History

Date of Change	Description
January 13, 2025	Initial article released.

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