

Travel Allowance Calculation Guidelines

In 1998 HCFA altered submission guidelines and reimbursement criteria for travel allowance. Laboratories may bill a pro-rated flat fee for total miles traveled when mileage is less than 20; and a pro-rated flat fee or a per mile fee when the total mileage is greater than 20.

Effective for claims received after October 1, 1998 the minimum flat rate of reimbursement is \$7.50 for one-way travel. The per mile allowance is \$0.75. Laboratories are required to calculate and bill the net amount that will be reimbursed. Reimbursement amounts will be reviewed and adjusted when clinical lab fees are updated and in conjunction with Federal travel allowance.

P9604 (Flat Rate) is utilized when mileage traveled is less than 20 miles:

1. Multiply \$7.50 times the number of segments (the return trip is a segment)
2. Divide by the number of patients drawn (include non-Medicare patients)
3. Bill a quantity of one " for each Medicare patient
4. Use the **-LR** modifier for round trips

IF Total Mileage < 20 Then # of stops * \$7.50 / # of patients = Net amount billed per patient

P9603 (Per Mile Rate) is utilized when round trip mileage is greater than 20 miles:

1. Multiply the number of miles times \$0.75
2. Divide by the number of patients drawn (include non-Medicare patients)
3. Enter the dollar amount calculated in the Charge field
4. Divide the number of miles by the number of patients
5. Enter the number of miles in the quantity field

IF Total Mileage > 20 Then (1) # of miles * \$0.75 / # of patients = \$ X.XX
(2) # of miles / # of patients = Y miles

Bill \$ X.XX for each Medicare patient only. Enter Y miles in the quantity field.

**Note: For trips greater than 20 miles both a flat fee and a per mile fee should be calculated in order to determine the highest level of reimbursement allowed.