Why OIG Did This Review

Medicare pays a specimen collection fee when it is medically necessary for a clinical laboratory technician to draw a specimen to perform a clinical diagnostic laboratory test. When a technician travels to a nursing facility or homebound patient, and a specimen collection fee is payable, the Social Security Act provides for payment of a travel allowance. Prior work found that travel allowances were at risk of being overpaid.

The objective of our review was to determine whether Professional Clinical Laboratory, Inc. (ProLab) claimed travel allowances for clinical diagnostic laboratory tests in accordance with Medicare requirements.

How OIG Did This Review

Our review covered 127,168 claim lines totaling $3.2 million paid to ProLab for Medicare Part B travel allowances from its Euless, Texas facility during 2014–2015. We reviewed documentation from ProLab for a stratified random sample of 100 claim lines.

Professional Clinical Laboratory, Inc. Generally Did Not Comply With Medicare Requirements for Billing Phlebotomy Travel Allowances

What OIG Found

ProLab generally did not comply with Medicare requirements for billing travel allowances. Specifically, of the 100 travel allowance claim lines in our stratified random sample, 35 claim lines complied with Medicare requirements and 65 claim lines did not (some lines had multiple deficiencies). ProLab did not (1) support prorated miles with documentation when multiple patients were served on a single trip; (2) resubmit claims when there was a retroactive change in the clinical laboratory fee schedule; and (3) have documentation to support specimen collections.

What OIG Recommends and ProLab’s Comments

We recommended that ProLab (1) refund to the Medicare program the portion of the estimated $319,277 overpayment for claims incorrectly billed that are within the reopening period; (2) for the remaining portion of the estimated $319,277 overpayment for claims that are outside of the Medicare reopening period, exercise reasonable diligence to identify and return overpayments in accordance with the 60-day rule and identify any returned overpayments as having been made in accordance with this recommendation; and (3) exercise reasonable diligence to identify and return any additional similar overpayments outside of our audit period, in accordance with the 60-day rule, and identify any returned overpayments as having been made in accordance with this recommendation.

ProLab did not respond to our draft report upon the advice of their attorney. Based on a discussion with the attorney, we learned that he advised ProLab officials not to answer any follow-up questions or respond to the draft report.

The full report can be found at https://oig.hhs.gov/oas/reports/region6/61602002.asp.