

Report in Brief

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U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL



Why OIG Did This Audit

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.

For this audit, we focused on travel allowance payments for clinical diagnostic laboratory tests made by one Medicare administrative contractor (MAC), Novitas Solutions, Inc. (Novitas), from January 1, 2015, through December 31, 2016 (audit period).

The objective of our audit was to determine whether payments made by Novitas to providers for travel allowances for clinical diagnostic laboratory tests complied with Medicare requirements.

How OIG Did This Audit

Our audit covered 484,789 claim lines totaling \$9.4 million paid by Novitas for Medicare Part B travel allowances during our audit period.

Novitas Solutions, Inc. Needs Enhanced Guidance and Provider Education Related to Phlebotomy Travel Allowances

What OIG Found

Payments made by Novitas to providers for travel allowances for clinical diagnostic laboratory tests did not always comply with Medicare requirements. Specifically, 17 of the 93 claim lines in our stratified random sample complied with Medicare requirements, but 76 claim lines did not (some lines had multiple deficiencies). Novitas made payments to providers for (1) claims with incorrectly calculated prorated mileage, (2) claims using the incorrect clinical laboratory fee schedule rate, and (3) claims without sufficient documentation to support payment. Based on our sample results, we estimated that Novitas paid providers \$2.4 million in travel allowances for clinical laboratory services that were not in accordance with Medicare requirements.

What OIG Recommends and Novitas Comments

We recommend that Novitas (1) work with the Centers for Medicare & Medicaid Services to clarify guidance to providers, which could have resulted in savings totaling an estimated \$2.4 million during our audit period; (2) educate providers on how to correctly calculate the prorated mileage for phlebotomy travel allowance payments; (3) educate providers on their responsibility to bring any previously paid claims to their MAC's attention if they were paid using the incorrect payment rate; and (4) educate providers on their responsibility to maintain adequate documentation to support payment for phlebotomy travel allowance payments.

In written comments on our draft report, Novitas concurred with our recommendations and described actions it has taken to address our recommendations.