

Report in Brief

Date: August 2021

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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 for a clinical diagnostic laboratory test. In addition, when a technician travels to a nursing home or to a homebound patient's residence and a specimen collection fee is payable, the Social Security Act provides for payment of a phlebotomy travel allowance.

For this audit, we focused on two previous audits of phlebotomy travel allowance payments for clinical diagnostic laboratory tests made by 2 Medicare administrative contractors (MACs) from January 1, 2015, through December 31, 2016, and on current travel allowance guidance.

Our objectives were to (1) summarize the results of our previous two audits that identified instances in which payments made by two MACs to providers for phlebotomy travel allowances for clinical diagnostic laboratory tests did not always comply with Medicare guidance and (2) review Centers for Medicare & Medicaid Services (CMS) guidance related to phlebotomy travel allowances to determine whether there have been any updates.

How OIG Did This Audit

We summarized the results of our prior audits, which covered 753,410 paid claim lines, totaling \$16.4 million, paid by the 2 MACs for phlebotomy travel allowances. We also met with CMS to determine whether it had taken steps to clarify how to properly prorate phlebotomy travel allowances.

CMS Needs To Issue Regulations Related to Phlebotomy Travel Allowances

What OIG Found

In our two previous audits of MAC payments for phlebotomy travel allowances, we determined that the two MACs paid providers for phlebotomy travel allowances that did not comply with Medicare guidance. Specifically, in our 2 MAC audits, 93 of the 202 sampled paid claim lines we reviewed complied with Medicare guidance, but 109 paid claim lines did not. (Some lines did not comply for more than one reason.) Errors identified in those audits were related to incorrect prorated mileage, incorrect payment rates, and inadequate documentation. On the basis of the sample results, we estimated that the two MACs paid providers a combined \$2.7 million in phlebotomy travel allowance payments that were not in accordance with Medicare guidance. In addition, we spoke with CMS in June 2020 and, at that time, it had not begun the notice and comment rulemaking process necessary to clarify provider requirements related to prorating mileage on claims for phlebotomy travel allowances or issue further guidance.

What OIG Recommends and CMS Comments

We recommend that CMS (1) work with the MACs to educate providers about the documentation requirements for phlebotomy travel allowances, (2) instruct the MACs to identify and adjust any paid claims that incorrectly used the previous year's rate, and (3) issue regulations related to phlebotomy travel allowances. (See the report for the more detailed third recommendation.)

In written comments on our draft report, CMS concurred with our first two recommendations. For our third recommendation, CMS stated that the clarifications that we proposed regarding how providers must prorate phlebotomy travel allowances will need to go through notice and comment rulemaking. As part of the calendar year 2022 Physician Fee Schedule Proposed Rule, CMS solicited comments on the policies for specimen collection fees and the travel allowance, as well as the methodology for calculating the travel allowance. CMS stated that it will consider comments received, along with our third recommendation, when determining appropriate next steps for phlebotomy travel allowances.

After reviewing CMS's comments, and their technical comments, we maintain that our findings and recommendations remain valid. We believe that updated regulations are necessary to clarify guidance related to phlebotomy travel allowances.