

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 13320	Date: July 24, 2025
	Change Request 14130

SUBJECT: Laboratory Specimen Collection Travel Allowance Billing to the Tenth of a Mile

I. SUMMARY OF CHANGES: The purpose of this Change Request (CR) is to instruct Medicare Administrative Contractors (MACs) to update their claims processing systems to allow the billing, acceptance, and adjudication of claims submitted with Healthcare Common Procedure Coding System (HCPCS) code P9603 calculated to the tenth of a mile.

EFFECTIVE DATE: January 1, 2026

**Unless otherwise specified, the effective date is the date of service.*

IMPLEMENTATION DATE: January 5, 2026

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
R	16/60.2/Travel Allowance

III. FUNDING:

For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

**Business Requirements
Manual Instruction**

Attachment - Business Requirements

Pub. 100-04	Transmittal:13320	Date: July 24, 2025	Change Request: 14130
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I. SUMMARY OF CHANGES: The purpose of this Change Request (CR) is to instruct Medicare Administrative Contractors (MACs) to update their claims processing systems to allow the billing, acceptance, and adjudication of claims submitted with Healthcare Common Procedure Coding System (HCPCS) code P9603 calculated to the tenth of a mile.

II. GENERAL INFORMATION

A. Background: Section 1833(h)(3)(B) of the Social Security Act authorizes Medicare payment for transportation and personnel expenses incurred by trained personnel traveling to collect specimens from eligible Medicare beneficiaries. This travel allowance is specifically designed to cover the costs associated with specimen collection from homebound or non-hospital inpatients.

B. Policy: This Change Request (CR) instructs Medicare Administrative Contractors (MACs) to update their claims processing systems to allow the billing, acceptance, and adjudication of claims submitted with Healthcare Common Procedure Coding System (HCPCS) code P9603 calculated to the tenth of a mile for claims with date of service on or after January 1, 2026. This enhancement provides more accurate reporting and reimbursement for certain travel distances.

HCPCS code P9603 specifically relates to travel allowance for specimen collection, which allows for reimbursement of transportation when collecting specimens from eligible Medicare beneficiaries.

- The per-mile travel allowance basis applies in two circumstances:
 - The round trip travel to one location is greater than 20 eligible miles for specimen collection from one or more beneficiaries (payment for the per mile travel allowance amount, prorated by the number of beneficiaries for whom a specimen collection fee is paid); or
 - When travel is to more than one location, regardless of the number of miles traveled

For trips totaling up to 100 eligible miles, the mileage must be rounded up to the nearest tenth of a mile. The decimal must be used in the appropriate place (e.g., 99.9).

For trips totaling 100 eligible miles and greater, the mileage must be rounded up to the next whole number mile without the use of a decimal (e.g., 998.5 miles should be reported as 999).

For trips totaling less than 1 mile, enter a "0" before the decimal (e.g., 0.9).

III. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
14130.1	Contractors shall ensure that claims for Specimen Collection Fee Travel Allowance P9603 (one-way allowed prorated miles) are accepted, adjudicated and priced accurately when the units/quantity billed, reflecting the actual number of eligible miles traveled, is equal to the tenth of a mile up to 100 miles for claims with date of service on or after January 1, 2026. Note: Standard rounding rules apply in order to calculate to the nearest tenth of a mile and for claims greater than 100 miles.	X	X			X	X		X	

IV. PROVIDER EDUCATION

Medicare Learning Network® (MLN): CMS will develop and release national provider education content and market it through the MLN Connects® newsletter shortly after we issue the CR. MACs shall link to relevant information on your website and follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1 for distributing the newsletter to providers. When you follow this manual section, you don't need to separately track and report MLN content releases. You may supplement with your local educational content after we release the newsletter.

Impacted Contractors: A/B MAC Part A, A/B MAC Part B

V. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
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Section B: All other recommendations and supporting information: N/A

VI. CONTACTS

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VII. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

ATTACHMENTS: 0

Medicare Claims Processing Manual

Chapter 16 - Laboratory Services

Table of Contents
(Rev. 13320; Issued: 07-24-25)

60.2 - Travel Allowance

(Rev. 13320; Issued:07-24-25; Effective: 01-01-26; Implementation:01-05-26)

Section 1833(h)(3)(B) of the Act states that the Secretary shall provide for and establish a fee in addition to the payment amounts for CDLTs on the CLFS to cover the transportation and personnel expenses for trained personnel to travel to the location of an individual to collect the sample.

Travel Allowance Eligibility

CMS pays a travel allowance when the specimen collection fee is paid. Requirements regarding payment for specimen collection are described in Section 60.1 above and CFR § 414.523(a)(1). These requirements must be met for the travel allowance to be payable.

Travel for simple pickup of specimens or for specimen collection that does not require the services of trained technicians should not be considered in the calculation of the travel allowance. This means that the travel allowance amount may be paid only if a specimen collection fee is also payable; for example, no travel allowance would be paid if a trained technician merely performs a messenger service to pick up a specimen drawn by other technicians.

The travel allowance may be provided only with respect to an individual who is homebound or an inpatient in an inpatient facility (other than a hospital), such that travel allowance may only be paid when a trained technician draws a specimen from a patient who either is in an inpatient facility that is not a hospital or is a homebound patient.

Only one travel allowance payment may be made for specimen collection for a Medicare beneficiary based on the beneficiary's location, and only when a Medicare beneficiary requires the collection of a specimen necessary for performance of CDLTs.

Only Medicare patients should be considered in the calculation and payment of the travel allowance, as the statutory language states "the location of an individual," that is, the location of a Medicare beneficiary receiving specimen collection services. Non-Medicare patients should not be included in any portion of the calculation of the travel allowance.

Travel Allowance Eligible Miles

For the purposes of travel allowance for specimen collection, eligible miles are those miles traveled that may be included in the calculation to determine the travel allowance amount. Eligible miles begin at the laboratory or the starting point of the trained technician's travel for specimen collection and end at the laboratory or the ending point of the trained technician's travel for specimen collection. A trained technician's travel for specimen collection from Medicare beneficiaries may begin at a laboratory or at a location other than the laboratory. Therefore, eligible miles begin at the laboratory or the starting point of the trained technician's travel for specimen collection. Additionally, a trained technician's travel for specimen collection from Medicare beneficiaries may end at a laboratory or at a location other than the laboratory. Therefore, eligible miles end at the laboratory or the ending point of the trained technician's travel for specimen collection.

Eligible miles do not include miles traveled for any purpose unrelated to specimen collection, such as collecting specimens from non-Medicare beneficiaries or for personal reasons. Therefore, any miles traveled to a location where no specimens are collected, such as to the location of a non-Medicare beneficiary for specimen collection, to a Medicare beneficiary where no specimen collection occurs, or for personal purposes, are excluded from the calculation of eligible miles.

Effective January 1, 2022, CMS has made permanent the option for laboratories to maintain electronic

documentation of miles traveled for the purposes of covering the transportation and personnel expenses for trained technicians to travel to the location of an individual to collect a specimen sample. This option for laboratories to maintain electronic documentation applies to specimen collection for any CDLT. Laboratories may utilize electronic and/or other documentation in order to demonstrate miles traveled for the purposes of specimen collection. Laboratories need to be able to produce electronic documentation in a form and manner that can be shared with MACs and should continue to consult with their local MACs regarding the format and process for submission of this information if necessary.

Travel Allowance Mileage Rate

The Act requires the travel allowance to cover both the “transportation” and “personnel expenses” for trained personnel to travel to the location of an individual to collect a sample. The travel allowance mileage rate reflects both of these components.

The “transportation” component of the travel allowance mileage rate equals the IRS standard mileage rate. The IRS updates and issues standard mileage rates on a periodic basis, generally annually and are used to calculate the deductible costs of operating an automobile for business, charitable, medical, or moving for the purpose of calculating Federal taxes.

The “personnel expenses” component of the travel allowance mileage rate where the trained technician’s personnel expenses is based on a wages-per-mile amount.

Effective January 1, 2023, CMS uses 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.

Specifically, CMS uses the latest available published figure for the median hourly wage amount for phlebotomists, which is published by the BLS, for the purposes of annually updating the travel allowance amount for specimen collection.

CMS calculates a per-mile amount to derive the approximate number of miles traveled by the trained technician each hour by using an average driving speed. The average miles-per-hour driving speed is multiplied by the trained technician’s estimated wages, as described above, and the result would be an amount that represents wages per mile, which is the personnel expenses associated with travel for specimen collection. CMS uses an average driving speed of 40 miles per hour, as most of the travel related to specimen collection would be performed in local and residential areas.

To establish the personnel expenses component of the travel allowance mileage rate, which is a per-mile amount, CMS divides the most recent median hourly wage for phlebotomists, as published by the BLS, by 40, to represent an average miles-per-hour.

The total travel allowance mileage rate, which includes both the “transportation” and “personnel expenses” for trained personnel to travel to the location of an individual to collect a sample, is equal to the IRS standard mileage rate plus an amount to cover expenses for a trained technician which is equal to the most recent median hourly wage for phlebotomists, as published by the BLS, divided by 40 to represent an average miles-per-hour driving speed.

Updates to the Travel Allowance Mileage Rate

Updates to the travel allowance mileage rate are issued through subregulatory guidance, specifically the existing CMS change request process, on an annual basis. Updates will be made to the travel allowance mileage rate based upon the most recently published IRS standard mileage rate, as well as the most recently published wage rate for phlebotomist as published by the BLS. The revised travel allowance mileage rate will be effective for the January update of the clinical laboratory fee schedule file.

The travel allowance mileage rate for CY2024 is \$1.13:

- The IRS standard mileage rate, which is \$0.67; plus,
- The most recent median hourly wage for phlebotomists, as published by the BLS, which is \$18.53, divided by 40 to represent an average miles-per-hour driving speed, which is \$0.46.
- Yielding a total travel allowance mileage rate for CY2024 of \$1.133, rounded up to \$1.13.

Travel Allowance Bases: Flat-Rate and Per-Mile

CMS pays a travel allowance on the following bases:

- (1) flat-rate travel allowance; and
- (2) per-mile travel allowance.

Flat-Rate Travel Allowance

The flat-rate travel allowance basis applies when the trained technician travels 20 eligible miles or less to and from one location for specimen collection from one or more Medicare beneficiaries.

Laboratories bill Medicare using HCPCS code P9604 to receive payment for the flat-rate travel allowance amount, prorated by the number of beneficiaries for whom a specimen collection fee is paid.

Per-Mile Travel Allowance

The per-mile travel allowance basis applies in two circumstances:

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

Laboratories bill Medicare using HCPCS code P9603 to receive payment for the per-mile travel allowance amount, prorated by the number of beneficiaries for whom a specimen collection fee is paid.

Effective for claims with Date of Service on or after January 1, 2026, the billing of HCPCS code P9603 is acceptable when calculated to the tenth of a mile (ex., 13.7 miles) when units billed are less than 100 eligible miles. Standard rounding rules apply in order to calculate to the nearest tenth of a mile. When calculated to 100+ eligible miles, only units equal to whole numbers are allowable for HCPCS code P9603.

For trips totaling up to 100 eligible miles, the mileage must be rounded up to the nearest tenth of a mile. The decimal must be used in the appropriate place (e.g., 99.9).

For trips totaling 100 eligible miles and greater, the mileage must be rounded up to the next whole number mile without the use of a decimal (e.g., 998.5 miles should be reported as 999).

For trips totaling less than 1 eligible mile, enter a "0" before the decimal (e.g., 0.9).

Travel Allowance Amount Calculation: Flat-rate Travel Allowance Basis

For flat-rate travel allowance basis, the travel allowance amount calculation is the travel allowance mileage rate multiplied by ten (10) and divided by the number of beneficiaries for whom a specimen collection fee is paid.

Dividing by the number of beneficiaries for whom a specimen collection fee is paid ensures that the

flat-rate travel allowance amount is apportioned to each beneficiary receiving specimen collection services and that payment is calculated in an operationally feasible manner, as a laboratory must submit a claim for each beneficiary to receive payment for travel allowance. This method allows for a fixed payment amount to be straightforwardly apportioned to the number of beneficiaries for whom a specimen collection fee is paid in a single location.

Example: Flat-rate Travel Allowance Calculation

For an example of the flat-rate travel allowance calculation, consider a situation in which a trained technician travels 7 miles from the laboratory to a nursing home to collect blood specimens collected through venipuncture from five patients, four of whom are Medicare beneficiaries.

The trained technician collects three specimens from Medicare beneficiaries, collects one specimen from the non-Medicare patient, and simply picks up a previously collected specimen from one Medicare beneficiary. The trained technician then drives 7 miles back to the laboratory to deliver the specimens without making any other stops.

The trained technician has provided specimen collection services to three Medicare beneficiaries. One Medicare beneficiary did not require specimen collection services, and therefore, a specimen collection fee would not be payable.

In this example, the laboratory would use the flat-rate travel allowance basis because the trained technician traveled a total of 14 miles. To calculate the travel allowance mileage rate, the laboratory would divide flat-rate travel allowance amount of \$11.30 by the number of beneficiaries for whom a specimen collection fee is paid (three beneficiaries), which equals \$3.77. To bill for the travel allowance, the laboratory would submit one claim for each beneficiary for whom a specimen collection fee is paid by billing HCPCS code P9604.

Calculation: Per-mile Travel Allowance Basis

The calculation for the per-mile travel allowance amount is equal the number of eligible miles multiplied by the travel allowance mileage rate, divided by the number of beneficiaries for whom a specimen collection fee is paid.

To calculate the per-mile travel allowance amount, the laboratory would first calculate the total number of eligible miles that the trained technician traveled – this would be the total number of miles traveled by the trained technician to locations where one or more Medicare beneficiaries received specimen collection services and back to the laboratory where the technician returns the specimen(s) for testing.

The eligible miles would be multiplied by the travel allowance mileage rate as described above, then divided by the number of beneficiaries for whom a specimen collection fee is paid. This quotient yields a prorated travel allowance amount for each beneficiary. The laboratory receives payment for the total number of eligible miles traveled for specimen collection, apportioned equally to each Medicare beneficiary for whom a specimen collection fee is paid. The laboratory then submits a claim billing HCPCS code P9603 for payment of the per-mile travel allowance amount for each beneficiary for whom a specimen collection fee is paid.

Examples: Per-mile Travel Allowance Amount Calculation Example 1:

For an example of the per-mile travel allowance amount calculation, consider a trained technician traveling 45 miles from a laboratory in a city to a rural SNF, collecting blood specimens through venipuncture from 6 Medicare beneficiaries, and then driving 45 miles to return to the laboratory.

In this example, the laboratory would use the per-mile travel allowance basis because the trained technician traveled more than 20 eligible miles to one location for specimen collection.

To calculate the per-mile travel allowance amount, the laboratory would sum the eligible miles traveled to the location of Medicare beneficiaries receiving specimen collection services, which, in this case is 45 miles from the laboratory to the SNF and 45 miles from the SNF returning to the laboratory, for a total of 90 eligible miles.

The eligible miles would then be multiplied by the travel allowance mileage rate of *\$1.13*, yielding a total of *\$101.70*. This total amount would then be prorated by dividing by the number of Medicare beneficiaries for whom a specimen collection fee is paid (6), yielding a per-beneficiary amount of *\$16.95* ($\$101.70/6 = \16.95). To bill for the travel allowance, the laboratory would submit one claim for each beneficiary in the amount of *\$16.95* HCPCS code P9603.

Example 2:

In another example, a trained technician travels 40 miles from a laboratory to the location of a Medicare beneficiary to collect a blood specimen through venipuncture, then travels 10 miles to the location of a non-Medicare patient to collect a blood specimen through venipuncture, then travels 20 miles to the location of two Medicare beneficiaries to collect urine specimens by catheterization, and then travels 20 miles to return to the laboratory.

In this example, the laboratory would use the per-mile travel allowance basis because the trained technician traveled to more than one location for specimen collection.

To calculate the per-mile travel allowance amount, the laboratory would sum the eligible miles, which would include the miles traveled from the laboratory to the locations of Medicare beneficiaries to collect specimens plus the miles back to the laboratory for specimen drop-off. Eligible miles would not include the 10 miles traveled to the location of the non-Medicare patient to collect a specimen, but would include the 40 miles traveled from the laboratory to the location of the first Medicare beneficiary, the 20 miles to the location of the two Medicare beneficiaries, and the return trip to the laboratory of 20 miles, for a total of 80 eligible miles.

The eligible miles would then be multiplied by the travel allowance mileage rate of *\$1.13*, yielding a total of *\$90.40*. This total would then be prorated by dividing by three (3) Medicare beneficiaries for whom a specimen collection fee is paid, yielding an amount of *\$30.13*. The laboratory would then submit a claim using HCPCS code P9603 for travel allowance for each of the Medicare beneficiaries in the amount of *\$30.13*. The laboratory would receive payment for the eligible miles traveled by the trained technician, apportioned equally to each Medicare beneficiary for whom a specimen collection fee is paid.

Neither the annual deductible nor the 20 percent coinsurance for Medicare apply to the travel allowance amount for CDLTs.