

Report in Brief

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Report No. A-06-17-04005

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



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.

For this review, we focused on travel allowance payments for clinical diagnostic laboratory tests made by one Medicare administrative contractor (MAC), Wisconsin Physicians Service (WPS), because it was one of the largest payers of travel allowances in the Nation from January 1, 2015, through December 31, 2016 (audit period).

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

How OIG Did This Review

Our review covered 268,621 claim lines totaling \$7 million paid by WPS for Medicare Part B travel allowances during our audit period.

Wisconsin Physicians Service Needs Enhanced Guidance and Provider Education Related to Phlebotomy Travel Allowances

What OIG Found

Payments made by WPS to providers for travel allowances for clinical diagnostic laboratory tests did not always comply with Medicare requirements. Specifically, 76 of the 109 claim lines in our stratified random sample that were reviewed complied with Medicare requirements, but 33 claim lines did not (some lines had multiple deficiencies). WPS 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. On the basis of our sample results, we estimated that WPS paid providers \$353,755 in travel allowances for clinical laboratory services that were not in accordance with Medicare requirements.

What OIG Recommends and WPS Comments

We recommend that WPS (1) work with the Centers for Medicare & Medicaid Services to clarify guidance to providers, which could have resulted in savings totaling an estimated \$353,755 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 wrong 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, WPS did not indicate concurrence or nonconcurrence with our recommendations. However, it agreed to implement our recommendations. WPS expects to have additional provider education developed and published by September 30, 2019.