



CARES Act Provides Temporary but Not Immediate Relief for Regional/Community Clinical Laboratories

March 27, 2020: FOR IMMEDIATE RELEASE

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St. Louis, MO – The American Association of Bioanalysts (AAB) and the National Independent Laboratory Association (NILA) applaud Congress for passing the Coronavirus Aid, Relief, and Economic Security (CARES) Act, a comprehensive stimulus package to address the economic stress caused by COVID-19. The CARES Act includes temporary, but not immediate, relief from cuts to Medicare's Clinical Laboratory Fee Schedule imposed by the Protecting Access to Medicare Act (PAMA) and an additional year-long delay in reporting private payor data. Unfortunately, the CARES Act does not provide any immediate financial support to regional and community independent clinical laboratories facing challenges as these laboratories set up to provide testing for COVID-19.

The nation has struggled to provide adequate laboratory surge capacity to test for COVID-19. Regional and community independent laboratories stand ready to help, however, they must be furnished with the equipment, supplies, and resources needed to respond. The Trump Administration and Congress have said repeatedly that COVID-19 testing is one of the highest national priorities, and they have provided important protections to patients for out-of-pocket costs for COVID-19 testing. However, the reimbursement to laboratories set by Medicare is inadequate.

Since its implementation, PAMA has imposed drastic cuts to Medicare's clinical laboratory fee schedule. "The laboratory community could have been better prepared to address a pandemic if PAMA had not eroded regional and community laboratory infrastructure in the United States," Mark Birenbaum, Ph.D., executive director of AAB and NILA stated. "NILA has advocated stopping the PAMA cuts for years, and we were pleased to see that additional cuts scheduled for next year (2021) were eliminated in the CARES Act, but additional reform is needed to reverse the drastic 30% cuts put into place over the past three years."

Regional and community laboratories are facing a number of challenges addressing COVID-19, including maintaining their businesses in the midst of an economic and public health crisis. The volume of routine laboratory testing has declined dramatically due to the closure of many physicians' offices, medical clinics, surgicare centers, and other healthcare facilities. Unfortunately, the drastic drop in [non COVID-19] testing is forcing many regional/community laboratories to reduce their workforce at a time when the demand for COVID-19 testing is dramatically increasing. "If additional measures are not taken to protect clinical laboratories, we will not only be unable to respond to this pandemic, but the country will be left with an inadequate clinical laboratory infrastructure going forward," Birenbaum stated.

NILA members are independent community and regional clinical laboratories working with physician practices, hospitals, outpatient care settings, skilled nursing facilities and home health patients to provide essential clinical laboratory services to Medicare beneficiaries, particularly those in underserved communities and hard to reach care settings.

The American Association of Bioanalysts (AAB), founded in 1956, is a professional association representing bioanalysts (clinical laboratory directors, owners, managers and supervisors), medical technologists, medical laboratory technicians, and physician office laboratory technicians.