



For Immediate Release

PAMA quickly dismantling nation's clinical laboratory infrastructure

May 2, 2018

Contact: Mark S. Birenbaum, NILA Administrator

St. Louis, MO – The National Independent Laboratory Association (NILA) released a report revealing the adverse impact that the Protecting Access to Medicare Act (PAMA) is imposing on community and regional clinical laboratories. The report—a summary of interviews of NILA members—demonstrates the real-life impact of the broad and deep cuts to the Clinical Laboratory Fee Schedule (CLFS).

The original intent of PAMA was to establish a market-based system for clinical laboratory services associated with the Medicare Part B CLFS. However, when the Centers for Medicare & Medicaid Services (CMS) implemented PAMA, the agency only collected data from 0.7% of the laboratory market. The result was large cuts to the CLFS, impacting many basic laboratory screening tests that are high volume, low cost tests conducted routinely in community and regional independent clinical laboratories to monitor and diagnose common and often chronic health conditions.

“This law was implemented in such a way that most of the clinical laboratory industry was not included in the data set, resulting in unsustainably low rates being set for a majority of routine tests on the CLFS,” says Mark Birenbaum, NILA administrator. “We knew it was important to conduct this study now to start assessing the actual implications of PAMA on our members,” Dr. Birenbaum states.

Laboratories that participated in the NILA study indicated a negative impact on their business and laboratory services as a result of PAMA. The study shows that many laboratories have already reduced their workforce to adapt to the financial pressures of PAMA, which for some has marked the first time in the laboratory's history that workforce has been reduced. Additionally, PAMA is eliminating access to laboratory services for many Medicare beneficiaries as laboratories reduce flexible, personalized services such as house calls to non-ambulatory patients, expanded hours, and emergency STAT testing.

Dr. Birenbaum states that, “the study proves what we thought would happen when we saw the final payment rates from CMS; it further emphasizes the detrimental and wide-reaching impact PAMA has caused on the services of community and regional independent laboratories. If PAMA is not reconsidered, there will be an increased cost to the Medicare program because beneficiaries will either utilize higher cost services or will forgo essential clinical laboratory testing, increasing the likelihood of further medical complications and costs. PAMA must be revised to reflect true market rates to preserve the nation's vital clinical laboratory infrastructure.”

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.

906 Olive Street, Suite 1200, St. Louis, MO 63101-1448

Telephone: (314) 241-1445 • Email: nila@nila-usa.org • Website: www.nila-usa.org