



## For Immediate Release

September 22, 2017

Contact: Mark S. Birenbaum, Ph.D., NILA Administrator, (314) 241-1445

### **Flawed Laboratory Payment Rates on Course to Devastate U.S. Laboratory Job Market and Access to Clinical Laboratory Testing**

WASHINGTON, DC – The National Independent Laboratory Association (NILA) is extremely alarmed by the proposed 2018 Medicare reimbursement rates for clinical laboratory tests released today by the Centers for Medicare and Medicaid Services (CMS). The rates are the result of an extremely burdensome and flawed 2016 regulation issued under the *Protecting Access to Medicare Act of 2014 (PAMA)*. Contrary to the statutory title, the rates released today, if implemented, will devastate access to physician-ordered lab testing for Medicare beneficiaries. It will also lead to the elimination of highly skilled jobs in communities across the country.

In the weeks leading up to today’s announcement by CMS, NILA and national organizations representing stakeholders across the clinical laboratory community – hospital, physician and independent laboratories - called on Health and Human Services Secretary Tom Price, MD to not proceed with the PAMA laboratory payment reform regulation until needed changes are made.

“The HHS Office of the Inspector General previously stated that the regulation may lead to inaccurate Medicare payment rates for lab tests,” says Mark Birenbaum, Ph.D., NILA Administrator. “We see with the release of CMS data today that they were indeed correct. NILA urges Congress and HHS to delay the implementation of laboratory payment reforms under PAMA until they can resolve the regulatory restrictions that have prohibited the government from accurately assessing data from all segments of the laboratory market.”

“The statute’s intent was to establish private market-based laboratory payment rates within Medicare, but the regulatory agency has not done this” says Dr. Birenbaum. “CMS imposed requirements community laboratories could not meet, giving them a few months to prepare reportable data and threatening penalties up to \$10,000 for each error they made. They constructed a system where the national laboratories with the highest test volumes and highest discounts in the private market would dominate the data reported. Then they prohibited a segment of laboratory market with high test

- MORE -

volumes and higher payments in the private market from reporting their data. This regulation will eliminate access to laboratory services for many Medicare beneficiaries, particularly those living in rural and underserved areas and those with complex health conditions that rely on clinical laboratory tests to guide their care and treatment. If these payments are not corrected, laboratories will be forced to lay off thousands of workers across the U.S., eliminate services, or close their businesses all together. NILA is perplexed as to why the Secretary is not making needed corrections to this burdensome and flawed regulation before proceeding.”

NILA is closely reviewing all of the proposed rates and data issued by CMS and will continue to advocate strongly before Congress and HHS that they delay implementation of the flawed payments and work to address this looming health care crisis now.

# # #

*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. Every day, NILA members provide diagnostic laboratory services and results, upon which physicians base their clinical decisions for the Medicare beneficiaries they serve.*