



For Immediate Release
The Changes to PAMA in the CY 2019 Physician Fee Schedule are Insufficient

November 2, 2018

Contact: Mark S. Birenbaum, Ph.D., NILA Administrator

St. Louis, MO – The American Association of Bioanalysts (AAB) and the National Independent Laboratory Association (NILA) are concerned following yesterday’s release of the [CY 2019 Physician Fee Schedule Final Rule](#) that implemented changes to PAMA. In July 2018, under its proposed PFS rule, the Centers for Medicare and Medicaid Services (CMS) included a section that addressed PAMA and the Part B Clinical Laboratory Fee Schedule (CLFS). CMS specifically solicited comments on: 1) the low expenditure component of the definition of an applicable laboratory; 2) changes to the majority of Medicare revenues threshold in the definition of an applicable laboratory; and 3) other approaches to define an applicable laboratory. AAB and NILA submitted [comments](#) in response to the agency’s request for feedback.

In its final rule, CMS made an effort to expand the number of laboratories qualifying as applicable laboratories by changing the qualifications to meet the majority of Medicare revenues threshold. The largest changes CMS made relate to Medicare Advantage revenue and use of the CMS-1450 14x Type of Bill to identify hospital outreach laboratories as applicable laboratories. Under the final PFS, Medicare Advantage revenues will be excluded from the calculation of total Medicare revenues. Additionally, CMS will use the CMS-1450 14x Type of Bill to identify Medicare revenues from hospital outreach laboratories. Theoretically, this will increase the number of hospital outreach laboratories required to report applicable data, thereby capturing a larger portion of the laboratory market.

While these efforts by CMS are a step in the right direction, the impact of these changes will not be known for several years. According to Mark S. Birenbaum, Ph.D., Administrator of AAB and NILA, “these modifications are insufficient because the changes outlined in the final PFS rule will not take effect until 2021. Regional and community clinical laboratories face an unsustainable 10% cut in less than two months, on January 1, 2019. This imminent cut threatens Medicare beneficiaries’ access to critical laboratory services because many laboratories will not be able to sustain their testing services for Part B Medicare beneficiaries after this cut goes into effect.”

Therefore, NILA maintains its opposition to the implementation of PAMA and continues to advocate for an immediate delay in future Part B CLFS reductions until a system can be worked out that determines rates based on the entire clinical laboratory market.

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.