

# CLINICAL LABORATORY COALITION

*Committed to Ensuring Access to Quality Laboratory Services*

## Protect Access to Laboratory Services for Medicare Beneficiaries

A proposal being considered for passage as soon as this week would add an additional cut to Medicare laboratory services. **The cut could be around 2 percent to the laboratory fee schedule and around 30 percent of the cost of the short term SGR fix.** This cut would be on top of significant laboratory cuts already in place from the health reform law.

- Medicare laboratory services should not be cut to pay for Medicare physician services under any SGR agreement.
- Clinical laboratory testing is less than 2 percent of all Medicare spending, yet has been subject to significant freezes in payments and cuts over the last decade.
- Medicare payment amounts for clinical laboratory services have already been reduced by about 40 percent in real (inflation-adjusted) terms over the past 20 years.
- In some independent clinical laboratories, especially those serving rural communities or nursing home populations, 80 percent or more of their patient-base consists of Medicare beneficiaries. The cuts being faced threaten their practice's existence and no additional cuts – big or small – can be absorbed without adversely impacting patient care.
- The Patient Protection and Affordable Care Act (PPACA) included a direct cut to the Medicare Clinical Laboratory Fee Schedule of 1.75 percent each year for 5 years. This 9 percent cut is the largest cut among all Part B providers and started in 2011.
- In PPACA, clinical laboratories also received another cut in the form of a productivity adjustment, resulting in an additional 11 percent cut over 10 years.
- The laboratory-specific cut and the productivity adjustment will already result in a cumulative 20 percent cut over 10 years.
- Laboratories are also facing up to a 2 percent cut to the fee schedule as a result of sequestration, which begins in January 2013.

### **Clinical Laboratory Services: Critical for Patient Care and Health Outcomes**

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- Clinical laboratory tests inform up to 70 percent of doctors' medical decision-making.
- As the first point of intervention, laboratory tests serve as the foundation for the diagnosis and clinical management of conditions like heart disease, cancer, diabetes, kidney disease, and infectious diseases.
- Medicare beneficiaries in nursing homes rely upon the services provided by independent clinical laboratories that can deploy medical professionals to their place of residence.
- On-site blood draw services for a non-ambulatory patient save the patient the trip (often via ambulance) to a hospital or laboratory draw center, potentially reducing costs and avoiding travel-related clinical risks for such patients.