



## FOR IMMEDIATE RELEASE

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### **PRESIDENT'S FY 2015 BUDGET PROPOSAL THREATENS ACCESS TO CLINICAL LABORATORY SERVICES**

Washington D.C. – The National Independent Laboratory Association (NILA), representing independent community and regional laboratories throughout the United States, is deeply troubled by the FY 2015 Budget Proposal to make additional significant cuts to Medicare lab payments, particularly cuts that would affect the most vulnerable Medicare beneficiaries. The proposed cuts, totaling approximately \$7.9 billion over ten years would threaten access to testing services for millions of vulnerable Medicare beneficiaries, including those who reside in skilled nursing facilities, home health, and hospice and those that live in rural locations.

The proposed budget would lower Medicare Part B payment rates to clinical laboratories by 1.75 percent per year from 2016-2023, for a cumulative cut of 14%. The proposal doesn't acknowledge that in November 2013 the Administration announced its plan to move forward and have the Centers for Medicare and Medicaid Services (CMS) independently propose and make Medicare laboratory rate adjustments to begin in 2015.

"Cuts to Medicare laboratory payment rates do nothing to modernize payments. They only succeed in eliminating market competition and the ability to ensure seniors have access to laboratory services," states Dr. Mark Birenbaum, NILA's administrator. "Community laboratories that provide test results that doctors rely on every day to make appropriate diagnoses and treatment decisions do not survive in the face of double-digit payment cuts."

Clinical laboratories have received significant cuts in reimbursement over the past several years, including a large cut to pay for the 2012 short-term fix in Medicare physician payments (known as SGR) and another cut through sequestration. **These cuts are on top of a cumulative 20 percent cut to Medicare laboratory services implemented through the *Affordable Care Act*—five direct fee cuts and a permanent provider productivity adjustment.**

In the CY 2014 Physician Fee Schedule Final Rule, CMS states that it will review laboratory test payment rates and make payment adjustments as soon as 2015. Though this process will begin in 2014, CMS has yet to outline how it will conduct such an analysis, how it will attribute its analysis to payment adjustments, and how deep those reductions will be.

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“If Congress and the Administration want to improve patient health outcomes and reduce health care expenditures, laboratories must be considered a key partner in meeting those goals, not a repeated target for cuts,” says Dr. Birenbaum. “NILA has been working with Congress to truly modernize how Medicare pays for clinical laboratory services. We ask that Congress and the Administration work with us, not against us, and initiate reforms that do not compromise the quality and availability of laboratory services that Medicare beneficiaries and their physicians need to support their health and well-being.”

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