

Congress Is Considering Reducing Your Medicare Part B Reimbursement

Help Stop This Effort Now!

ACTION REQUEST:

Attend town hall meetings and seek a meeting in your Representative's/Senators' district office and tell them that imposing laboratory copays/coinsurance on seniors or cutting Medicare Part B reimbursement for laboratory services will hurt access to care and should not be considered during the ongoing budget negotiations.

BACKGROUND:

As part of the "debt ceiling" deal recently signed into law by President Obama, a "Super" Congressional Committee is being established and tasked with finding Medicare savings. We anticipate that instituting a copay/coinsurance for Medicare Part B laboratory services and/or a possible reduction in the Part B Clinical Laboratory Fee Schedule (CLFS) will be on the table as ways to save money. We need your Members of Congress to oppose these options and weigh in with the "Super" Committee once it is formed.

THE PROCESS:

1. If you do not know the name of your Member in the House of Representatives, go to: <http://www.house.gov/> and enter your zip code in the top right hand corner of the page.
2. If you do not know the names of your two Senators, go to: <http://www.senate.gov/> and use the drop down box in the top right hand corner to select your state. Every state has two Senators representing the entire state.
3. Review the list of town hall meetings that will be provided by NILA periodically and read your local paper to learn about other town hall meetings. Plan to attend one for your Representative or Senators!
4. In addition to the town hall meetings, check your Representative's and Senators' website (through the links above) to find out the telephone number for the district office closest to you. Call the office and ask to schedule a meeting.
5. In the meeting, use the points below to explain why a Medicare copay/coinsurance for laboratory services or additional cuts to the Part B CLFS will limit access to essential laboratory services.

THE MESSAGE:

Please use the bullet points below to develop a personalized message for your Members of Congress. Be prepared to speak to the Member directly at a town hall meeting or to a staffer in your Representative and Senators' district or state offices about these key issues.

Copays/Coinsurance:

- **Laboratory and patient interaction is minimal.** Most laboratories collect specimens from a doctor's office or other health care facility, and do **not** interact with the patient. Billing for laboratory copays happens after the testing is done and will require multiple mailed billing attempts.
- **The cost of collecting a copay/coinsurance will exceed the amount of the copay/coinsurance.** According to a study by the Institute of Medicine, it costs a laboratory about \$5.00 to mail a bill to a patient to collect a copay/coinsurance. In most cases, the amount to be collected will average \$4.00 to \$6.00.
- In cases where a laboratory physically sees a Medicare patient, this patient is often homebound or in a skilled nursing facility and is likely dually eligible for Medicare/Medicaid. **Laboratories are prohibited (by law) from collecting a copay/coinsurance from Medicaid patients.**
- **Laboratories will bear the cost of billing, collecting, and bad debt incurred through unpaid copay/coinsurance amounts.**
- Laboratories will have to generate over **100 million new bills each year** to seniors.
- For several of the most commonly ordered laboratory tests, **a \$1.00 copay will amount to over 30 percent of the total cost of the test.**

Clinical Lab Fee Schedule Cuts:

- Medicare payment amounts for clinical laboratory services have been **reduced by about 40 percent in real (inflation-adjusted) terms over the past 20 years.**
- The Patient Protection and Affordable Care Act (PPACA) that Congress passed in December 2009 includes a direct and immediate cut to the Medicare Clinical Laboratory Fee Schedule of 1.75% each year for 5 years, from 2011 through 2015. **This 9% cut is the largest cut among all Part B providers.**
- In PPACA, clinical laboratories also received another cut through the productivity adjustment – one of only a few providers subject to an immediate adjustment in 2011 – **resulting in an additional 11% cut over 10 years.**