



For Immediate Release
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Small Business Community Labs Stripped to Pay for Medicare Physician Fee Fix

Washington D.C. – A short-term fix to the Medicare physician pay cut ended in a devastating blow to regional and community clinical laboratories, putting thousands of jobs across the country at risk. House and Senate conferees signed off on a deal yesterday that includes a 2 percent cut to the Medicare Clinical Laboratory Fee Schedule. On January 1, 2013, clinical laboratories will face a 5 percent reduction to their fee schedule as this new cut adds to two health reform cuts already in place—a 1.75 percent direct cut and an annual productivity adjustment of about 1.3 percent. Regional and community labs with high Medicare patient populations could face staff layoffs, or worse as they try to manage the impact of these cuts.

The National Independent Laboratory Association represents labs that provide a majority of their services to Medicare beneficiaries and are nearly the only lab provider for Medicare beneficiaries in nursing facilities. NILA vehemently opposes these cuts. “Many of our labs are family-owned and operated small businesses that have been serving communities and nursing homes for decades,” said NILA Administrator Dr. Mark Birenbaum. “These cuts will mean the end of business for some of them. I just don’t see how they can survive.”

For many NILA members, up to 80 percent of their business is focused on providing services to Medicare beneficiaries. Medicare payments for clinical laboratory services have been reduced by roughly 40 percent in real terms over the past 20 years. “These new cuts also put jobs at risk as regional and community laboratories may be forced to lay off technicians and other skilled personnel to accommodate for lost revenue,” Dr. Birenbaum said.

Nursing home patients rely on regional and community clinical labs to provide services in their place of residence. Lab technicians travel to nursing homes daily to collect specimens from residents, often performing stat testing to avoid patients being transferred to the hospital via ambulance for emergency testing. “National labs have already said they won’t assume the nursing home work—it’s just not worth it for them,” Dr. Birenbaum stated. “So who is going to do this work when regional and community labs are put out of business?”

“As a country we are struggling to find ways to improve health quality and reduce costs. We are pushing for community-based care--our labs are setting this example. For Congress, this must be just rhetoric, because this decision flies in the face of those goals,” Dr. Birenbaum said.

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The National Independent Laboratory Association represents regional and community independent clinical laboratories throughout the United States that primarily serve the long-term care community.