Illinois Health and Hospital Association

January 14, 2020

ILLINOIS HEALTH AND HOSPITAL ASSOCIATION
M E M O R A N D U M

TO: Chief Financial Officers, Member Hospitals and Health Systems
Chief Operating Officers
Other Finance Staff

FROM: Cassie Yarbrough, Director, Medicare Policy

SUBJECT: Clinical Laboratory Fee Schedule PAMA Reporting Period Changes

The Centers for Medicare & Medicaid Services (CMS) has delayed the private payer data reporting period for Clinical Diagnostic Laboratory Tests (CDLTs) from applicable laboratories, including hospital outreach laboratories, as required under the Protecting Access to Medicare Act of 2014 (PAMA). CDLT data that were supposed to be reported between Jan. 1, 2020 and March 31, 2020 must now be reported between Jan. 1, 2021 and March 31, 2021. Reported data must be from the original data collection period of Jan. 1, 2019 through June 30, 2019. This change does not apply to Advanced Diagnostic Laboratory Tests.

The statutory phase-in provisions for CDLT reporting were also updated. CMS may not reduce 2020 payment rates for CDLTs that are not advanced or new tests by more than 10% in 2020. For 2021, 2022 and 2023, CMS may not reduce rates by more than 15%. Additionally, MedPAC will study and report to Congress within 18 months on the least burdensome data collection process that would result in a representative and statistically valid data sample of private market rates.

The updated data collection and reporting periods for CDLTs is as follows:

Data Collection Period	Six-Month Review and Validation Period	Data Reporting Period	Used for Clinical Lab Fee Schedule (CLFS) Rate Years
1/1/2019-6/30/2019	7/1/2019-12/31/2019	1/1/2021-3/31/2021	2022-2024
1/1/2023-6/30/2023	7/1/2023-7/31/2023	1/1/2024-3/31/2024	2025-2027
Continues every third subsequent calendar year	Continues every third subsequent calendar year	Continues every third subsequent calendar year	New CLFS rate every third year

Collection and reporting of private payer rate information was established under PAMA and the CLFS final rule from 2016. The final rule outlines requirements for reporting entities to provide CMS with private payer rate information for their component applicable laboratories in order to establish the CLFS. The general payment amount for a test under the CLFS (furnished on or after Jan. 1, 2018) is the weighted median of private payer rates for that test. An applicable laboratory is a laboratory which receives the majority of its Medicare revenue under the CLFS and/or the Physician Fee Schedule.

More information, including specific reporting requirements, can be found here.