

Mandated report: The Protecting Access to Medicare Act of 2014's changes to the Medicare clinical laboratory fee schedule

ISSUE: The Protecting Access to Medicare Act of 2014 required the Centers for Medicare & Medicaid Services (CMS) to establish clinical laboratory fee schedule (CLFS) payment rates based on the rates private payers paid for laboratory tests. In 2018, CMS implemented the new, private payer-based rates, which resulted in substantial payment rate reductions for some laboratory tests. In the Further Consolidated Appropriations Act, 2020, the Congress mandated the Commission to examine the methodology CMS used to set private payer-based rates for laboratory tests.

KEY POINTS: The material provides background on the CLFS and the transition to private payer-based rates; analyzes utilization and spending before and after private payer-based rates were implemented in 2018; and reviews the Commission's plan to address the mandate. The report is due in June 2021.

ACTION: Commissioners will discuss the material and provide guidance to staff at the September meeting.