People. Trust. Results.
Since 1960

2027 Clinical Laboratory Fee Schedule
Three Potential Outcomes Labs Should Prepare For Now

The laboratory industry is approaching another critical Medicare reimbursement deadline. The 2026 PAMA private-payor data reporting period closed on July 31, 2026, using payment and volume data collected from January 1st through June 30, 2025. CMS will use the newly reported data to establish Clinical Laboratory Fee Schedule (CLFS) payment rates for 2027–2029 unless Congress changes the current statutory framework.

As laboratories plan for 2027, three potential outcomes remain in play.

1. New PAMA Rates Take Effect January 1, 2027
Under current law, CMS will calculate CLFS rates using the private-payor data submitted during the recently completed reporting period. For most clinical diagnostic laboratory tests, Medicare payment is based on the weighted median of reported private-payor rates. CMS has confirmed that beginning January 1, 2027, payment for an existing test may be reduced by as much as 15% compared with the prior year's payment, with the 15% annual reduction cap continuing through 2029.

The magnitude and distribution of potential reductions will depend heavily on the data CMS received. This creates uncertainty for laboratories because the composition and representativeness of the reported private-payor data could materially affect the resulting rates.

2. Congress Passes the RESULTS Act
A second possibility is passage of the bipartisan Reforming and Enhancing Sustainable Updates to Laboratory Testing Services (RESULTS) Act (H.R. 5269/S. 2761). Introduced in September 2025, the legislation has generated significant bipartisan support.

The legislation would reform PAMA's rate-setting methodology by moving toward the use of claims data from a qualified independent entity rather than relying primarily on laboratories to report private-payor information. Under the proposal, CLFS rates would remain unchanged for 2027 and 2028, with the reformed methodology taking effect for 2029. Beginning in 2029, annual reductions would generally be limited to 5%, rather than the current-law 15% cap.

3. Congress Delays the Cuts Again
If the RESULTS Act does not advance in time, Congress could again intervene to delay the scheduled PAMA reductions. Congress has repeatedly postponed implementation of additional CLFS cuts, most recently through the Consolidated Appropriations Act, 2026.

Another delay would provide near-term reimbursement stability, but it would not resolve the underlying concerns surrounding PAMA's methodology. Laboratory organizations therefore continue to advocate for a permanent legislative solution rather than another temporary extension.

Information provided by APS Medical Billing, September 2026

People. Trust. Results.
Since 1960

What Laboratories Should Do Now

Waiting for the final outcome could leave laboratories little time to react. Laboratory leaders should begin modeling their 2027 Medicare revenue now. At minimum, model two reimbursement scenarios:

(1) Current law, including potential CPT®/HCPCS-level reductions of up to 15% beginning January 1, and
(2) RESULTS Act/reimbursement stability, assuming 2027 CLFS rates remain at approximately 2026 levels.

Practices should apply these scenarios to their actual Medicare test mix and volumes, not simply total Medicare revenue, to identify the codes, service lines and locations with the greatest exposure.

Laboratories should also evaluate the potential downstream impact on commercial reimbursement arrangements tied directly or indirectly to Medicare rates. Understanding these exposures now can help leadership develop realistic 2027 budgets, cash-flow forecasts and contingency plans before final rates are known.

The key message for laboratory leaders: prepare for multiple outcomes. Proactive CPT/HCPCS-level financial modeling can quantify the revenue at risk and allow laboratories to respond strategically as CMS and Congress determine the future of the CLFS.

APS Medical Billing will continue to monitor developments around the CLFS rates along with the RESULTS Act and keep laboratory leaders informed as the policy debate advances.

If you have questions about how these changes may impact your reimbursement, please reach out to your APS Practice Manager. We are here to help you understand the potential impact and navigate these possible changes.

Information provided by APS Medical Billing, September 2026