

Late Year Relief for Clinical Laboratories

The end of 2022 brought some late year relief for clinical laboratories in the form of the Consolidated Appropriations Act, 2023. The end of year spending package made 2 key changes that affect current and future reimbursement by Medicare to clinical laboratories. The Act:

1. Revised the next data reporting period required by the Protecting Access to Medicare Act ([PAMA](#)) for 1 year.
2. Delayed the statutory phase-in of payment reduction resulting from private payer rates reported in the first period required by PAMA for 1 year.

This is great news for clinical laboratories around the nation, as PAMA allows for cuts of up to 15% to any HCPCS code the CMS identifies as overpriced based off PAMA data reporting. Instead, all services will see a 0% reduction based off the delay. This does fall short of legislation that was not advanced in late 2022, [Saving Access to Laboratory Services](#) (SALSA), which aimed for a 4 year data reporting cycle and much lower reductions (5% at most) to any HCPCS code payment rate than the 15% that PAMA allows. Below is a chart that outlines the updated data collection period, data reporting period and reduction caps based off the date of service for claims since PAMA was enacted:

Year for CDLT Rates	Based on Data Collection Period	Based on Data Reporting Period	Reduction Cap
2020	January 1, 2016 – June 30, 2016	January 1, 2017 – May 30, 2017	10%
2021	January 1, 2016 – June 30, 2016	January 1, 2017 – May 30, 2017	0.0%
2022	January 1, 2016 – June 30, 2016	January 1, 2017 – May 30, 2017	0.0%
2023	January 1, 2016 – June 30, 2016	January 1, 2017 – May 30, 2017	0.0%
2024	January 1, 2016 – June 30, 2016	January 1, 2017 – May 30, 2017	15%
2025	January 1, 2019 – June 30, 2019	January 1, 2024 – March 31, 2024	15%
2026	January 1, 2019 – June 30, 2019	January 1, 2024 – March 31, 2024	15%

APS will take this good news for now, but hope for continued review of the PAMA requirements as a whole. If you have any questions, please contact your Practice Manager.