

Medicare Payments for New Genetic Technologies under the Clinical Lab Fee Schedule

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Payment Determinations for 2005

- New Tests: Gap-filling vs. cross-walks
- Public meeting: Monday, July 26
- Tentative determinations posted on web in early Fall
- Final determinations around Nov. 1

Gap-filling Instructions

Gap-filling

- Carriers should examine
 - charges for the test and routine discounts to charges
 - resources required to perform the test
 - payment amounts determined by other payers
 - charges, payment amounts, and resources required for other tests that may be comparable or otherwise relevant
- Carriers may consider other sources including:
 - clinical studies and information provided by clinicians practicing in the area, manufacturers, or other interested parties

Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA)

- Section 628 Lab Update - No updates to existing lab fees until 2009
- Section 942(b) - Methods for Determining Payment Basis for New Lab Tests
 - Regulations
 - Differences from current process?

Issues for Reform

- Relative payment rates essentially frozen
 - Inherent reasonableness
- Relative rates out of accord with advances in technology
- Methods for adding new tests

Information Base for Revising Fee Schedule?

- Costs
- Charges
- Competitive bidding
- Micro-costing studies
- “Data-driven consensus process”