



Clinical Laboratory Medicare Reimbursement: Support SALSA!

Position

The clinical laboratory community respectfully urges Congress to take action to protect patient access to clinical laboratory services by enacting the *Saving Access to Laboratory Services Act* (SALSA/H.R. 8188/S.4449) before January 1, 2023. SALSA is bipartisan and bicameral legislation to update Medicare's payment system for clinical diagnostic lab services, ensuring seniors and patients access to necessary diagnostic tests.

Background

In 2014, Congress passed *The Protecting Access to Medicare Act* (PAMA/P.L. 113-93) to reform the Medicare Clinical Laboratory Fee Schedule (CLFS) to a single national fee schedule based on private market data from all types of laboratories. Unfortunately, the first round of data collection in 2017 failed to capture adequate and representative private market data, leaving out virtually all hospital outreach labs and significantly under-sampling POLs. The significant under-sampling led to nearly \$4 billion in cuts to those labs providing the commonly ordered test services for Medicare beneficiaries. For context, the total CLFS spend for 2020 was only \$8 billion, less than 3% of Medicare Part B spending.

Congress has intervened on a bipartisan basis three times to delay CLFS reporting periods and twice to delay cuts to maintain patient access to lab services. However, without a sustainable solution to this problem, labs face another round of cuts of up to 15% in January 2023. The clinical laboratory remains at the forefront of patient care, responding to public health disruptions and threats such as COVID-19.

The *Saving Access to Laboratory Services Act* (SALSA) (H.R. 8188/S.4449) is a permanent solution that would set Medicare reimbursement for lab services on a sustainable path forward. SALSA will give CMS new authority to collect private market data through statistically valid sampling from all laboratory segments for the widely available test services where previous data collection was inadequate. The bill ensures accurate private market rates are collected, provides a much-needed reduction in reporting burden, and protects labs and Medicare from dramatic rate increases or decreases with a gradual phase-in approach.

In short, the enactment of SALSA is critical this year to allow laboratories to focus on providing timely, high-quality clinical laboratory services for patients, continuing to innovate, and building the infrastructure necessary to protect public health.

We welcome the opportunity to discuss this critical issue with you and your staff. If you have questions regarding this issue brief, please contact the following individuals:

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