



Issue: Saving Access to Laboratory Services Act (SALSA)

CAP Position: The College of American Pathologists (CAP) urges Congress to pass legislation to reduce the administrative burden on laboratories and ensure accurate collection of private market data through statistically valid sampling from all laboratory segments while avoiding drastic cuts to clinical laboratory payment rates. We need to improve how data is collected and validated under the Protecting Access to Medicare Act (PAMA; P.L. 113-93), to ensure an accurate, market-based payment system for laboratories paid through the Medicare clinical laboratory fee schedule (CLFS). This would 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.

Background:

In 2014, Congress passed PAMA to reform the CLFS to a single national fee schedule based on private market data from all types of laboratories that service Medicare beneficiaries, including independent laboratories, hospital outreach laboratories, and physician office laboratories (POs). Unfortunately, the first round of data collection in 2017 failed to capture adequate and representative sample of private market data, leaving out virtually all hospital outreach laboratories and significantly under sampling POs. The significant under sampling led to nearly \$4 billion in cuts to those laboratories providing the most 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 four times to delay the next CLFS reporting periods and three times to delay cuts to maintain access to laboratory services for patients. However, without a sustainable solution to this problem, laboratories will face another round of cuts of up to 15% in January 2024, at a time when we remain at the forefront of patient care and responding to public health disruptions and threats, such as COVID-19.

The Saving Access to Laboratory Services Act, or SALSA (S.1000/H.R. 2377), is a permanent solution that would set Medicare reimbursement for clinical laboratory services on a sustainable path forward. SALSA will give the Centers for Medicare and Medicaid Services (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 true private market rates are included, and provides a much-needed reduction in reporting burden. By providing a gradual phase-in approach, the bill protects clinical laboratories, the Medicare program, and patients from the impact of dramatic rate increases or decreases.

In short, the CAP asks that you cosponsor SALSA (S. 1000/H.R.2377). For More Information: Contact Hannah Burriss, Assistant Director of Legislation and Political Action at (202) 354-7139 or by email at hburriss@cap.org.