

Support the Saving Access to Laboratory Services Act (SALSA), H.R. 2377/S. 1000

Scheduled reimbursement cuts under the Protecting Access to Medicare Act (PAMA) passed in 2014 could jeopardize access to many of the clinical laboratory tests that are used to diagnose, monitor, and manage common diseases for more than 65 million seniors. After three prior rounds of up to 10 percent cuts, planned payment reductions of up to an additional 15 percent in 2024 may result in a weakened clinical lab infrastructure, making it more difficult to deliver routine health care and respond to the next public health crisis. Strong clinical laboratories are foundational to the U.S. healthcare system.

Clinical lab tests are essential for detecting liver disease and liver cancer: For example, clinical lab tests for hepatitis C and hepatitis B will be cut by an additional 11-15%. Yet, hepatitis and the resulting inflammation of the liver leads to a reduction in liver function, cancer and death. Millions of clinical lab tests for these viruses are ordered for Medicare beneficiaries each year in line with screening and diagnostic guidelines.

Additionally, payment for comprehensive metabolic panels will be cut by an additional 14%. Yet, this panel is a widely used routine blood test that helps providers diagnose, screen for, and monitor certain health conditions. In 2021, about 40 million of these panel tests were ordered to assess blood sugar and electrolyte levels, and for indications of how the liver, kidneys and heart are functioning for Medicare patients.

Medicare reimbursement cuts weaken investment in the next generation of diagnostic tests, including those that enable personalized care for diseases like cancer.

Background: Congress passed PAMA in 2014 to align Medicare payment for clinical labs with prevailing market rates across the country. Unfortunately, the first round of market data was collected from less than one percent of the nation's laboratories – far from representative of market rates. Congress's scorekeeper, the Congressional Budget Office (CBO), originally projected \$2.5 billion in cuts to reimbursement rates over 10 years if PAMA was implemented as Congress intended; however, the last three rounds of cuts have already reached \$4 billion with a pending round of further cuts scheduled for January 2024.

Impact: Without congressional intervention this year, laboratories across the country will face tough decisions potentially reducing services offered to patients and curbing investment in the next generation of diagnostic tests. Physician offices may stop offering essential laboratory tests, and independent laboratories could be forced to close. In short, these scheduled Medicare cuts will undermine laboratory infrastructure essential for day-to-day care and critical to public health emergencies, while also stifling investment to advance innovative new screening and diagnostic tests.

The liver disease community strongly opposes further reducing clinical lab reimbursement, contradicting early detection and successful treatment of deadly diseases.

