

CMS Gives Clinical Labs Reporting Deadline Extension

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Clinical laboratories have until May 30, 2017 to make required reports to the Centers for Medicare & Medicaid Services (“CMS”) regarding payment rates paid by private payors for certain diagnostic tests and the volume of such tests furnished for such payors, according to a [CMS announcement](#) on March 30, 2017.

Last year CMS issued a [Final Rule](#) implementing requirements of Section 216 of the Protecting Access to Medicare Act of 2014 (“PAMA”), which made significant changes to the Medicare payment system for clinical diagnostic laboratory tests (“CDLTs”). Since 1984, Medicare has paid for CDLTs based on its clinical laboratory fee schedule (the “Fee Schedule”). Under the Final Rule, the Fee Schedule payment amounts for CDLTs furnished on or after January 1, 2018 will be equal to the weighted median of private payor rates determined for the tests, based on data reported by laboratories during specified data collection periods.

The Final Rule established annual data collection periods of six months, from January 1 through June 30 each year beginning in 2016. Collected data is then required to be reported to CMS between January 1 and March 31 of the year following the data collection period, making March 31, 2017 the first reporting deadline under the Final Rule. Failure to report timely each year carries a potential civil monetary penalty (“CMP”) of up to \$10,000 per day.

However, in its announcement, CMS stated that it would exercise “enforcement discretion” with respect to the application of CMPs for collected data reported between March 31 and May 30, 2017. According to CMS, industry feedback suggests that many reporting entities require additional time, and the “60-day enforcement discretion period is the maximum amount of time CMS can permit to still have sufficient time to calculate” the new payment rates scheduled to go into effect January 1, 2018.

CMS directs interested parties to the [Clinical Laboratory Fee Schedule website](#) for additional information.

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