



The Case for Updating the Medicare Specimen Collection Fee

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What is the Medicare Specimen Collection Fee?

- In 1984, Section 1833(h) of the Social Security Act established: "a nominal fee to cover the appropriate costs in collecting the sample on which a clinical diagnostic laboratory test was performed and for which payment is made under this part"
- The fee was initially set at **\$3.00** per draw



Why the Need for an Update?

- Since its inception 24 years ago, the fee has *never* been adjusted – even for inflation. It is still **\$3.00**.
- If the fee had been adjusted just to keep up with the CPI-U, the fee would be about **\$6.04** today.
- But inflation is only part of the story

Why the Need for an Update?

- The cost of obtaining quality specimens has increased dramatically since 1984, regardless of inflation
 - In 2001, OSHA revised its Bloodborne Pathogen Standards after Congress passed the Needlestick Safety and Prevention Act
 - Although important, the new standards imposed an “unfunded mandate” by requiring costly new health care worker safety provisions.

2001 OSHA Bloodborne Pathogen Standards

Require clinical laboratories to:

1. Identify and provide safer sharps systems (including needles and blades)
2. Maintain sharps injury logs
3. Discard blood tube holders after a single use (previously laboratories were able to reuse these devices), and
4. Involve health care workers in the selection of safer technologies

Other Phlebotomy Cost Increases Since 1984



- Latex gloves and other protective wear
- Phlebotomy staffing costs have risen, as the demand for more highly skilled phlebotomists has increased (with CA and LA requiring licensure or certification)
- Labor cost to obtain ABNs from patients

Other Reasons to Support Draw Fee Update

- Better reimbursement improves labs' ability to hire qualified phlebotomists
 - 2008 ASCP survey showed high vacancy rates for phlebotomists in outpatient clinics (12.0%), hospitals with 100 to 299 beds (9.8%), and hospitals with 500 or more beds (17.0%).
 - High vacancy rates also reported in South Central Atlantic (9.5%) and Far West (9.1%) regions
 - Significant quality and liability implications of improper draws:
 - contaminated samples that have to be redrawn; false positive results; incorrect medication doses; nerve damage, fractures from patient passing out, etc.

Past Initiatives to Adjust Draw Fee

- Bills were introduced in each of the past four Congresses by former Rep. Phil English (R-Pa.) and various cosponsors
 - 2001: H.R. 3388 (107th Cong.)
 - 2003: H.R. 883 (108th Cong.)
 - 2005: H.R. 2218 (109th Cong.)
 - 2007: H.R. 1501 (110th Cong.)
- Each bill would have adjusted the draw fee to reflect the current CPI-U, and would have provided an annual inflation adjustment going forward.
- None of the bills got a hearing as stand-alone legislation



Current Initiative

- **H.R. 1452** – The Medicare Clinical Diagnostic Laboratory Fee Schedule Modernization Act of 2009
 - Title II contains a Specimen Collection Fee update similar to the English bills in the prior four Congresses.
 - Initial adjustment (in 2010) is to **\$6.04**
 - Automatic annual CPI-U adjustments thereafter
 - The Challenge: Title II “scores” with CBO, while Title I is budget-neutral.
 - While supporting H.R. 1452, fight to keep Title II in the bill