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Agency of Human Services

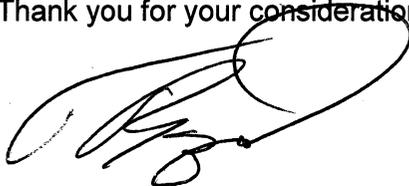
Providers,

Please review the following Clinical Diagnostic Laboratory fee schedule change summary and proposal. With this communication, the Reimbursement Unit is inviting comments and feedback on the frequency of updates, the benchmarks, and/or impacts to this fee schedule you may have.

Any comments should be submitted to the DVHA Reimbursement Unit by the due date specified. Your comments must be received by the due date to be considered before the final policy is released.

Send Comments to: DVHA Reimbursement Unit
312 Hurricane Lane, Suite 102
Williston, VT 05495
AHS.DVHAReimbursement@state.vt.us

Thank you for your consideration,



Tom Boyd, Deputy Commissioner for Health Reform



Comments Due: 12/15/2015

Proposed Effective Date: 01/01/2016

Policy Subject: Clinical Diagnostic Laboratory Fee Schedule

Explanation of Fee Schedule:

This fee schedule includes codes which are considered Clinical Diagnostic Laboratory as identified by Medicare. For a complete list of all codes included in this proposed update, please refer to <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ClinicalLabFeeSched/clinlab.html>

Please note, there are individual Clinical Lab codes that are covered on Vermont Medicaid's fee schedule that are not included in Medicare's Clinical Lab fee schedule methodology.

Background:

To date, the DVHA has not formally updated the rates associated with the clinical diagnostic laboratory fee schedule benefit, nor has it formally used a benchmarking methodology.

Also, the published Vermont Medicaid rates for these codes are paid based on the pricing action code applied to them. The current pricing action code 'L' applies a 40% reduction to the rate on file. Said another way, the amount reimbursed for these codes is 60% of the rate on file.

Proposal:

The DVHA proposes, starting 01/01/2016, to update all Clinical Diagnostic Laboratory prices to be at 100% of Medicare's Clinical Diagnostic Laboratory fee schedule (per January 2016 release of the clinical laboratory data). We propose to update these prices annually using the latest version of Medicare's Clinical Diagnostic Laboratory fee schedule on file. The percentage of Medicare will be estimated to ensure payment neutrality between updates; said another way, if pricing increases in the aggregate across all Clinical Diagnostic Laboratory's or utilization increases amongst different types of labs, the percentage may be decreased to account these changes. The only exception to this method is consideration for intentional increases in spending or allocations for this category of service.

In summary, this proposal reallocates payments within this code set while maintaining payment neutrality in the aggregate for this category of service. Additionally, the pricing action code 'L' will no longer include the 40% reduction, creating transparency in the published rates.

The individual Clinical Lab codes not included in Medicare's fee schedule methodology will continue under periodic review in conjunction with the proposed annual regular updates of this fee schedule.

