What You Need to Know About PAMA

CMS released the long-awaited final regulations for the Protecting Access to Medicare Act (PAMA) on June 17, 2016.

Let's take a look at the key points in the final ruling.

Who is required to report?

All laboratories with at least 50% of their Medicare revenues from the Physician Fee Schedule (PFS) or the Clinical Laboratory Fee Schedule (CLFS) with a minimum of $12,500 received from Medicare during the data collection period,
OR
Laboratories with an Advanced Diagnostic Laboratory Test (ADLT) that have applied and been approved for ADLT status with CMS.

Reporting is based on individual NPI numbers, even though reporting remains the responsibility of the Tax Identification Number (TIN) entity. It is expected that many hospital laboratories will not be required to report; if not required to report, a laboratory cannot report.

What needs to be included in the data report?

The final ruling states that the report submitted to CMS must include:

- The HCPCS code,
- Private payer rate,
- The volume associated with each rate where the "final payment date" is within the data collection period.

Private payers are defined as one of the following: group health insurance plans, Medicare Advantage plans or Medicaid HMO plans. The private payer rate should not include amounts under appeal.

Why do I need to report?

In an effort to keep Medicare costs down, PAMA calls for new CLFS rates based on the weighted medians of private payer rates. Applicable laboratories must submit data so their rates can be considered with the rates of all other applicable laboratories for CMS

(More information...)

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For even more information about PAMA, attend the 8:45 a.m. session on day two, Industry Reflection and Roundtable for PAMA Best Practices. Our own Wendy Baehne is on the panel or stop by the TELCOR booth in the exhibit area.

to assign new CLFS rates. There are also significant civil monetary penalties of up to $10,000 per day for failure to report or misrepresentations in reporting.

When do I need to report?

The first data collection period was January 1 through June 30, 2016. Laboratories have six months to gather and evaluate data before the first data reporting period. Data reporting is required to be submitted between January 1 and March 31, 2017. CMS will update the CLFS beginning January 1, 2018. CMS is expected to release new rates based on private payer data by November 2017.

How is TELCOR RCM preparing for PAMA regulations?

All data reporting elements are maintained in TELCOR RCM. The required data is available with various analytic tools within the application. In addition, when CMS released the reporting template in September, TELCOR released a PAMA Analysis function. This function is an “easy button” for PAMA reporting and verification, and allows not only a summary view to upload to CMS, but also a detailed view for auditing.

TELCOR workqueues provide our customers the ability to extract this data with user-defined views, with options to further filter the results to private payers and exclude government payers. Views can be defined based on final payment date and can be grouped by allowed rate, HCPCS code and many other variables.

As our customer’s know, TELCOR has a history of releasing functionality needed to meet payer requirements before those requirements go into effect.

TELCOR is the proven leader of revenue cycle management (RCM) software solutions empowering laboratories to improve back office processes by streamlining the revenue cycle workflow, thus reducing labor-intensive processes and operating costs. TELCOR RCM provides a high level of visibility to business operations, allowing managers the ability to make more informed decisions. Reducing labor costs, increasing efficiencies and improving key performance indicators can help laboratories increase collections and improve profitability.