



NAMAS Weekly Auditing & Compliance Tips

November 25, 2016

PAMA

The Clinical Laboratory Fee Schedule (CLFS) final rule, "Medicare Program: Medicare Clinical Diagnostic Laboratory Tests Payment System" (CMS-16F) implements PAMA, the Protecting Access to Medicare Act of 2014.

The purpose of this rule is to more closely align CLFS payments under Medicare with payments made by private payers. CMS perceives that Medicare pays significantly more for some tests than do some private payers.

Under this rule, "applicable" laboratories are required to report revenue information to CMS. "Applicable" laboratories are those laboratories that:

- Bill Medicare for laboratory testing under their own billing NPI number;
- Received more than \$12,500 from the CLFS for traditional tests (Advanced Diagnostic Laboratory Tests will be handled separately; see explanation below) during the period of January 1, 2016 - June 30, 2016; and
- Received more than 50% of their Medicare revenues from laboratory and physician services during that same data-gathering period.

Applicable laboratories, or reporting entities, must first

report to CMS during the reporting period of January 1 - March 31, 2017 the following "applicable" information:

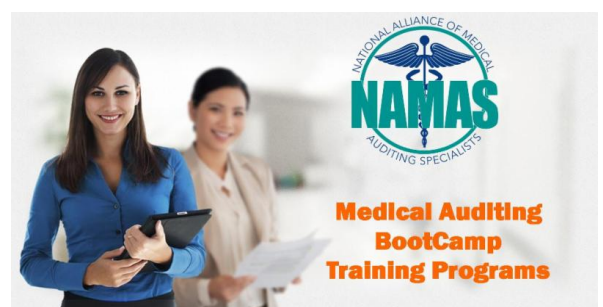
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March 31, 2017 the following applicable information:

- How much each private payer reimbursed for each laboratory test performed and
- How many of each test were billed to each payer

CMS will use this information to calculate new (reduced) reimbursement amounts they will pay for tests performed for Medicare beneficiaries.

Failure to report, or omission or misrepresentation, may result in fines of up to \$10,000 per day. PAMA does not allow voluntary reporting by laboratories that do not meet the definition of an applicable laboratory. Reporting will be required every three years.

The maximum reimbursement reduction for any given clinical laboratory test will be-

- 10% in 2018
- 10% in 2019
- 10% in 2020
- 15% in 2021
- 15% in 2022
- 15% in 2023

An Advanced Diagnostic Laboratory Test, or ALDT, is defined by PAMA as "a clinical diagnostic laboratory test covered under this part that is offered and furnished only by a single laboratory (or a corporate entity that owns multiple laboratories) and not sold for use by a laboratory other than the original developing laboratory (or a successor owner) and meets one of the following criteria:

(A) The test is an analysis of multiple biomarkers of DNA, RNA, or proteins combined with a unique algorithm to yield a single patient-specific result and yields clinical diagnostic information that cannot be obtained from any other tests or combination of tests, and may include other assays.

(B) The test is cleared or approved by the Food and Drug Administration (FDA).

(C) The test meets other similar criteria established by the Secretary."

The minimum threshold of \$12,500 does not apply to ALDTs. However, for laboratories performing ALDTs and traditional testing, this applies only to the ALDTs.

Reimbursement for new ALDTs will be the actual list charge during the new ALDT initial period, which is three full calendar quarters. The local Medicare Administrative

Our onsite or online training program will not only prepare you to sit for the medical auditing certification test, but will prepare you for a career as a medical auditor.

As a bootcamp attendee, you will receive the NAMAS Auditor's Resource & Prep Guide, 16 AAPC CEUs, AND a 1 year NAMAS membership!

Our next **onsite** bootcamp will be:

December 5-6: Orlando, FL

We've also added additional **online** Saturday classes to our calendar

Click Here to Learn More About The NAMAS Medical Auditing BootCamp

Weekly Tip Sponsor

The logo for Find-A-Code, featuring the text "FIND-A-CODE" in white on a purple rectangular background. The letter "O" in "CODE" is stylized as a magnifying glass.

FindACode.com is an online database of medical billing codes and information. FindACode.com is a quick and easy system that uses a simple search to return accurate information. Rather than searching through 10 or more books, Find-A-Code has combined the information into one simple search.

Visit Find-A-Code at the 8th Annual Auditing & Compliance Conference in Orlando, FL

NAMAS Calendar of Events



Contractor (MAC) will determine the payment amount for a new ALDT prior to the new ALDT initial period, from the time the test is first offered prior to the beginning of the next full calendar quarter.

Applicable information for ALDTs must be gathered annually from January 1 - June 20 and reported to CMS the following January 1 - March 31.

The American Medical Association, which creates and owns CPT codes, will create a new coding process specifically to meet the requirements of PAMA. Either the AMA will create CPT codes or CMS will create HCPCS Level II codes to identify new and existing ALDTs as well as CLDTs that are cleared or approved by the FDA.

The Office of the Inspector General (OIG) has determined that Medicare could save as much as \$910 million annually. Medicare currently spends approximately \$7 billion annually for clinical diagnostic laboratory testing.

This Week's Audit Tip Written By:

**M. Ann Bachman, BSMT
(ASCP), CLC (AMT), CPM**

Ann is a Partner and HIPAA Department Director for our parent organization, DoctorsManagement



Click the image above to view our monthly calendar

Upcoming Webinars

NAMAS is proud to present the following webinars in November



The Art & Science of Networking

Speaker: Debbe Childress
December 5, 2016
2pm EST

2017 CPT Updates for the Auditor

Speaker: J. Paul Spencer
December 13, 2016
2pm EST

The Practice Manager's Role in Maintaining Compliance

Speaker: Doug Graham
December 20, 2016
2pm EST

E&M Encounter Review

Speaker: Shannon DeConda
December 17, 2016
2pm EST

NAMAS Members: Watch your Email for Registration Links

Non-Members: Email namas@namas.co to learn how to attend these webinars



**There's Still Time to Register for the NAMAS
8th Annual Auditing & Compliance
Conference in Orlando, FL !**

NAMAS 8th Annual Auditing & Compliance Conference



2016 Salary Survey



December 6-9, 2016 | Orlando, FL | Loews Portofino Bay Hotel

Dates: Pre-Conference: Tuesday, December 6, 2016
Conference: Wednesday, December 7- Friday
December 9, 2016

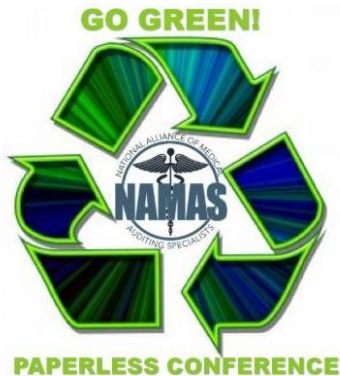
Venue: Loews Portofino Bay Hotel, Orlando, FL

Attend the ONLY conference designed for medical auditors and compliance professionals!

- **Earn Over 20 AAPC CEUs good toward Core A, CPMA, CPCO & CEMC certifications**
- Select your conference sessions from a variety of concentrated tracks, including:
Physician-Based Auditing, E&M Auditing, Facility Auditing and Physician-Based Compliance!
- Learn from the best speakers in the business, network with your peers and our group of exhibitors

Our 8th Annual Conference Has Gone Green!

We're proud to be a paperless conference, offering attendees the opportunity to download their session handouts electronically prior to conference



Special Conference Offer- Ends Today! 11/25/2016

Register for conference between now and
November 25, 2016

receive your 2017 coding books for FREE!*

Don't need new books? Save \$150 on your conference registration instead with coupon code BOOKS at checkout!



2016 Salary Survey



Each year, NAMAS collects data from auditors about their employment as auditors.

Please take a few moments to complete our survey. Entering your email address at the end of the survey will enter you into a drawing for a chance to win one of several prizes:

\$100 Visa Gift Card

\$25 Starbucks Gift Card

and our

GRAND PRIZE is a scholarship to attend our 9th Annual NAMAS Auditing & Compliance Conference!

Click the image above to complete the survey. This survey will close on March 15, 2017 and winners will be selected and contacted by a NAMAS representative.

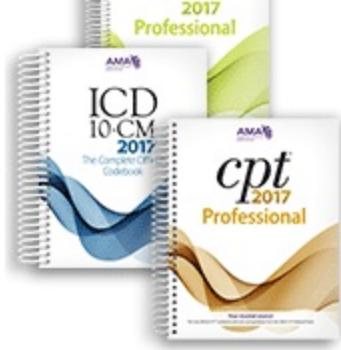


Our weekly auditing & compliance tip emails are available to anyone who could benefit from this information.

If you know someone who would like to receive these emails, invite them to sign.

Click the image above to be added to our email list!





[Click Here to View the Conference Agenda](#)

[Register Now](#)

*Offer applies to new conference registrations made between 10/27/16 - 11/25/16. Register for the NAMAS 8th Annual Auditing & Compliance Conference and receive the following AMA manuals for free: 2017 CPT professional, 2017 ICD-10 CM, and 2017 HCPCS Level II. Code book offer may not be combined with any other conference special pricing offer. Offer subject to change or be withdrawn without notice.



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NAMAS Conference Speaker Spotlight



David Glaser, JD
Fredrikson & Byron, P.A.

Conference Sessions:

- Audit Sampling & Extrapolation

Speaker Spotlight

Meet our speakers for the

UGLY HOLIDAY SWEATER CONTEST



We're excited to announce that during our annual conference, NAMAS will be hosting its first annual

Ugly Holiday Sweater Contest!

During our exhibitor reception (on the evening of Wednesday, December 7th), all attendees are welcome to don their ugliest holiday attire.

Our group of exhibitors and speakers will serve as judges and **the attendee with the ugliest attire will win a scholarship to attend our 2017 conference for free!**

NAMAS 8th Annual
Auditing & Compliance
Conference
Orlando, FL | December 6-9, 2016



View the full conference agenda &
register today at
www.namasconference.com

- Myths & Misconceptions in Auditing & Compliance
- Audits & Appeals
- Physician Compensation & Compliance
- The Auditor, the Doctor & The Attorney: Proving the Medical Necessity

attend our 2017 conference for free!
Start preparing your ugly holiday outfit now!

Too Many Audits Stacking Up?



Let our team help with the backlog & keep you current!

DoctorsManagement & NAMAS employ Senior Management Auditors with no less than 10 years of experience. Our team can perform your audits or offer hands-on assistance to your auditing team.

We are available to assist with:

- Valuation Audits
- Pre-Bill Audits
- Retrospective Audits
- Customized Training

To schedule your audit or training, contact NAMAS at 877-418-5564 or via email at namas@namas.co

Stay Informed

Stay up to date with important news and announcements from NAMAS. Follow our social media pages to ensure you don't miss a beat!



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