

October, 2024

LAByrinth

Industry, Billing, and Operational News for Laboratories

Presented by ADSRCM, a leading provider of revenue cycle management, financial, operational, and outsourced staffing services for every type of Laboratory



Message from Jim: Laboratory Director Qualifications are Upped by CMS for 2025

Per CMS, if you're a laboratory director as of Saturday, 12/28/24, you must (a) be qualified to manage and direct the laboratory's personnel and the performance of high-complexity tests **and** (b) be eligible to be an operator of a laboratory within the requirements of subpart R.

Of course, there's more. We've italicized and bolded the "ands" and "ors" for a good reason:

- ✓ possess a current license as a laboratory director issued by the state in which the laboratory is located, if such licensing is required (check your state's requirement on this), **and**
- ✓ be an MD or a DO licensed to practice in the State in which the laboratory is located; **and**
- ✓ be certified in anatomic or clinical pathology, or both, by the American Board of Pathology or the American Osteopathic Board of Pathology, **or**
- ✓ be an MD, DO, or DPM licensed to practice in the State in which the laboratory is located **and**
 - have at least 2 years of experience directing or supervising high-complexity testing **and**



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Sales Manager, Laboratory Services

- have at least 20 CE credit hours in laboratory practice that cover the director's responsibilities defined in § 493.1445, **or**
- hold an earned doctoral degree in a chemical, biological, clinical or medical laboratory science or medical technology from an accredited institution, **or**
- hold an earned doctoral degree, **and**
- have at least 16 semester hours of doctoral-level coursework in biology, chemistry, medical technology (MT), clinical laboratory science (CLS), or medical laboratory science (MLS), **or**
- an approved thesis or research project in biology/chemistry/MT/CLS/MLS related to laboratory testing for the diagnosis, prevention, or treatment of any disease or impairment of, or the assessment of the health of, human beings, **and**
- be certified and continue to be certified by a board approved by HHS, **and**
- have at least 2 years of:
 - (A) laboratory training or experience, or both, **and**
 - (B) laboratory experience directing or supervising high-complexity testing, **and**
 - (C) have at least 20 CE credit hours in laboratory practice that cover the director responsibilities defined in § 493.1445, **or**
- ✓ notwithstanding any other provision of this section, an individual is considered qualified as a laboratory director of high complexity testing under this section if they were qualified and serving as a laboratory director of high complexity testing in a CLIA-certified laboratory as of December 28, 2024, and have done so continuously since December 28, 2024.
- ✓ for the subspecialty of oral pathology, be certified by the American Board of Oral Pathology, the American Board of Pathology, or the American Osteopathic Board of Pathology.

If you are **and/or** are striving to be a laboratory manager, **and/or** you can follow what's needed as stated above, **and/or** you're an avid skydiver, then you have a chance of being okay as of 12/28/24. BTW, the skydiving requirement is totally optional, so that's good.

We hope you enjoy the rest of the read!

Cancer: Patients' Credit and Finances

As if the diagnosis of cancer wasn't unsettling enough, a report from Beth Israel Deaconess Medical Center and Harvard Medical School reveals that cancer can often lead to bankruptcy, lower credit scores, and other financial challenges for patients and their families. This study underscores the significant financial burden that cancer patients bear long after the diagnosis.

It's an interesting, if unsettling, study in which the credit scores and other financial metrics of cancer and non-cancer patients were followed and analyzed. The study showed that cancer patients had higher rates of debt collections, medical collections, and bankruptcies. Bankruptcies were five times more likely, and credit scores were nearly 80 points lower for cancer patients vs. those without cancer.

The study breaks down cancer patients who had surgeries compared with those only receiving radiation treatment and how those with bladder, liver, colorectal, and lung cancers continue to be negatively impacted financially for up to 9.5 years after diagnosis.

[Click here for details on the study from the American College of Surgeons \(ASC\).](#)

Weight Loss and Patients' Costs

Sticking with the “finance” theme, another study from the ACS has revealed that the new generation of weight loss drugs is cost-effective long term only when combined with bariatric surgery.

The average cost of bariatric surgery (\$17,400 to \$22,850) is higher than the average cost for a year’s worth of the GLP-1 RA weight loss drugs (\$9,350 to \$16,200). However, when these drugs are combined with surgery, they can lead to significant cost savings of over \$7,200 compared to surgery alone. This study offers hope for cost-effective weight loss treatments.

[Click here for details of the study from the ASC.](#)

Your Finances: Medicare Cuts Deferred

Your finances were helped when Congress again deferred proposed Medicare reimbursement cuts of up to 15% for clinical laboratory tests in a bill just passed on September 25. This is great news, as the clinical laboratory fee schedule (CLFS) cuts have been set to begin January 1.

As in years past, the deferment only delays impending cuts; it doesn’t eliminate them.

[Click here for the details on the House act.](#)

(Even though cuts were deferred, you still need to ensure your laboratory’s claims are submitted for their highest possible value without over-coding, that they’re transmitted with a nearly 100% success rate on first-attempt clearinghouse submissions, and that denial alerts are displayed in advance. ADSRCM supports those capabilities, and we’ll guarantee to increase your laboratory’s revenue in 90 days.)

Unionized Lab

Northwell Health (NH) is both the largest healthcare provider in the state of NY and the state’s largest private employer. According to a September 26 release, workers at NH’s Core Testing Facilities overwhelmingly voted to join 1199SEIU, the United Healthcare Workers East union.

The workers, which include technologists, technicians, phlebotomists, and others, are the second NH laboratory group to join 1199SEIU; the first group of hundreds of laboratory staff joined in December.

[Click here for the NH media center release.](#)

Laboratory Fraud of the Month

A hospital, a laboratory, three lab employees, a referring physician and his office manager have agreed to collectively pay more than \$7.2 million dollars to resolve civil allegations that they defrauded federal health-care programs in connection with laboratory tests that were not medically necessary, or were tainted by violations of the federal Anti-Kickback Statute.

This multi-state incident has a number of moving parts, as you’ll see by reading the Justice [Department’s press release](#).

Prior Authorizations: a Bane of any Laboratory's Existence

The headline is self-explanatory: the need for prior authorizations (PAs) and actually *getting* those PAs can be a time-consuming, drudgery-laden task for laboratory staff. PA reform is definitely needed, as outlined in an April 2024 [paper by the ACLA](#).

As the paper points out, PAs are often needed for everything from routine laboratory tests to advanced genetic testing. In other words, it's not just the complicated tests that often require PAs.

Obviously, you'll want to ensure PAs are obtained when needed to avoid denials. But besides PAs, pre-test eligibility verifications have to be performed, and out-of-network alerts must be generated when needed.

And even with all of that, there must be an AI ability to proactively scrutinize your laboratory's claims to ensure they won't be denied for any other reason. You'll want the ability to have those claims edited first and then submitted.

By the way, please don't take the "AI" reference lightly since it's often reported how payers use AI to deny claims by the tens of thousands in nanoseconds. The AI on your side has to be as good as theirs to give you a fighting chance.

So...be sure to have as many pre-submission protections in place as possible, including access to a patient responsibility estimator to help ensure patient balances are tightly managed and that there are no surprises!

(ADSRM supports an automated PA option and all the other AI protections, as noted. The same AI-driven system we use – MedicsPremier – is available from ADS if an in-house laboratory platform is preferred.)

We hope you enjoyed the read.

Next Up:

November, stuffed with new articles and items of interest for laboratories.

Contact us at [844-599-6881](tel:844-599-6881) or by emailing rcminfo@adsc.com for more about how you can drive maximized revenue and productivity for your laboratory with ADSRCM or about the MedicsPremier platform if in-laboratory automation is preferred!

Feedback or comments on our newsletters/content are greatly appreciated. Please opine by emailing marc.klar@adsc.com or by calling me at 973-931-7516. I would love to hear from you!

-Marc E. Klar, Vice President, Marketing, ADS RCM.

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