

December, 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: **Governments are Spending Less on Healthcare**

We usually don't write about things international, but this is noteworthy.

In a newly released report, the WHO notes that governments are de-prioritizing healthcare spending as a post pandemic bi-product. Of course, this includes laboratories.

Notably, large out-of-pocket costs are causing financial burdens for patients. The breakdown roughly is that people now pay fully on their own (no insurance) in 30 low-middle income countries; in 20 other low-middle income countries, they pay roughly 50%, and in over a third of high-income countries, patients pay over 20% of their healthcare costs out of pocket.

So, right now, your patients may be paying over 20% for their laboratory services. You'd be able to confirm that by seeing your own stats on patients' receivables. No wonder it's often reported that patients are the third largest healthcare payers after Medicare and Medicaid.



Jim O'Neill
Sales Manager, Laboratory Services

With governments spending less on healthcare (see the next article on the 2025 PFS), you'll want to make sure your laboratory's claims are submitted for maximized reimbursement and then also have the tools needed to ensure patients pay their responsibility amounts, ideally with them knowing what those amounts will be *before* tests are performed.

[Click here](#) for the WHO report.

(ADSRM submits laboratory claims for optimized reimbursements, and you'd have access to our pre-testing, AI-driven patient responsibility estimator, helping to control your patients' A/R by avoiding unnecessary surprises on their part.)

We hope you enjoy the rest of the read!

Final 2025 MPFS Cuts Pathology Rates by 2.5%

Speaking of reduced reimbursements, the Final Medicare Physician Fee Schedule (MPFS) for 2025 reduces professional rates paid to pathologists by an average of 2.5%, while technical fees paid to pathology labs will fall by approximately 2.7%.

More details include:

✓ Surgical Pathology

The global rate for CPT 88305 (Level IV, tissue exam) will drop by 2.8% to \$69.54 in 2025; professional interpretation down 2.8% to \$34.93; technical component also down 2.8% to \$34.61.

The global rate for CPT 88307 (Level V, tissue exam) will decline by 3.3% to \$278.18; professional interpretation down 2.8% to \$76.66; technical down 3.4% to \$201.52.

✓ Immunohistochemistry

The global rate for CPT 88342 (IHC, first stain procedure) has been finalized to increase by 3% to \$109.01; professional interpretation down 2.8% to \$32.67; technical up 5.7% to \$76.34.

The global rate for CPT 88341 (IHC, each additional stain) will rise by 3.2% to \$93.48; professional interpretation down 1.6% to \$26.52; technical up 5.3% to \$66.96.

✓ Special Stains

The global rate for CPT 88312 (Special stains, group 1) will decline by 3.7% to \$108.36; professional interpretation down 2.8% to \$24.91; technical down 3.9% to \$83.45.

The global rate for CPT 88313 (Special stains, group 2) will decrease by 4% to \$79.57; professional interpretation down 2.8% to \$11.32; technical down 4.2% to \$68.25.

If the words "decrease," "decline," and "down" seem to be thematic, they are.

They're all about a 2.8% reduction in the final 2025 conversion factor to 32.3465. The rate cuts will become effective January 1 unless Congress intervenes with what would have to be a last-minute, an end-of-year legislative action.

[Click here for the full details](#) on the 2025 PFS.

(As mentioned, you'll want your laboratory's claims submitted cleanly the first time and for maximized reimbursement. ADSRCM maintains a nearly 99% success rate on first-attempt clearinghouse submissions on laboratory claims.)

Appendix Q and its own Appendicitis

This article's a little tricky, with a lot of moving parts. So, laboratorians, guess what's been revised?

If you said, "the Core Appendix Q and its Subparts (Appendix Q) of the State Operations Manual (SOM), which provides guidance for identifying immediate jeopardy," you'd have been correct.

The revision creates a Core Appendix Q to be used by surveyors for all provider and supplier types to determine when to cite immediate jeopardy. Keep reading:

For laboratories, all guidance previously under Appendix Q will be moved to the new CLIA Subpart XI. To wit:

- ✓ CMS has drafted subparts to Appendix Q that focus on immediate jeopardy concerns occurring in nursing homes and **clinical laboratories** since they have specific policies related to immediate jeopardy. Appendix Q reinserts language referring to criminal acts to local law enforcement.
- ✓ Subpart XI has been revised to reflect that laboratories can cease testing to remove the immediacy of the Immediate Jeopardy (their wording). Laboratories must determine and correct the root cause of the deficiency, issue any corrected reports, and establish a mechanism to monitor the effectiveness of the actions before determination of compliance.
- ✓ Key Components of Immediate Jeopardy: To cite immediate jeopardy, surveyors determine that (1) non compliance, (2) caused or created a likelihood that serious injury, harm, impairment, or death to one or more recipients would occur or recur, and (3) immediate action is necessary to prevent the occurrence or recurrence of serious injury, harm, impairment, or death to one or more recipients.
- ✓ Immediate Jeopardy Template has been developed to assist surveyors in documenting the information necessary to establish each of the key components of immediate jeopardy. Survey teams must use the immediate jeopardy template attached to Appendix Q to document evidence of each component of immediate jeopardy and use the template to convey information to the surveyed entity.

Good thing they didn't do anything with Appendices A to P. Or maybe they did?

[Click here to be sure, and for the details from CMS on the above.](#)

Lab Fraudatory Story of the Month

Sometimes it's over the top. This month's incident involves a TX-based laboratory principle was charged with submitting over *\$79 million* in fraudulent Medicare and TX Medicaid claims for respiratory pathogen panel (RPP) tests that were not provided, and which were medically unnecessary.

Allegedly he and his co-conspirators laundered the proceeds by transferring substantial amounts to foreign banks.

If convicted, he faces ten years for each of three counts of healthcare fraud.

[Click here for details from the Justice Department.](#)

“Do it Yourself” Laboratory Sales Teams

If your laboratory has a sales team, which really means anything from a single salesperson and more, and if they’re taking up other staff time with sales-related questions on their productivity and more, they could be empowered to self-serve, on-demand, with a device-friendly laboratory sales portal.

Ideally the portal would be a built-in component of your RCM company’s platform or of your in-laboratory financial/operational system.

This type of portal would enable salespeople to view their own stats whenever they want without having to disrupt other administrative staff. You may well already have staffing issues without needing to burden them further with questions from salespeople.

(ADSRCM supports a sales portal as described. And our outsourced workforce using our AI-driven automation platform can further help consolidate staffing issues!)

Wishing you all the best for a great holiday season, and a happy, healthy, and prosperous 2025!

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Next Up:

Starting fresh with January and 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. We’d love to hear from you!

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

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