

Introduction

Good morning. My name is Martura Amato, and I am the Diagnostic Services Program Manager at MassHealth in the Executive Office of Health and Human Services (EOHHS). I am here to present testimony on proposed amendments to 101 CMR 320.00: *Rates for Clinical Laboratory Services*. The proposed amendments have an anticipated effective date of September 1, 2024.

Background

Regulation 101 CMR 320.00 establishes the rates used by state governmental units to make payments to eligible providers for clinical laboratory services rendered to publicly aided individuals, including blood, urine, metabolic, drug and genetic tests. Eligible providers include independent clinical labs, physicians, nurse midwives, nurse practitioners, community health centers, family planning agencies, acute and chronic outpatient hospitals, hospital licensed health centers, group practices, and freestanding birth centers. This regulation excludes surgical pathological services and the professional component of the relevant laboratory codes, which are established under regulation 101 CMR 316.00: *Rates for Surgery and Anesthesia Services*.

Description of Proposed Changes

The proposed amendments update the rates for the majority of services covered by 101 CMR 320.00.

The majority of the rates are proposed to be set at 88.19% of the corresponding 2023 Medicare rates. Rates for codes that do not have corresponding 2023 Medicare rates are proposed to be increased by a two-year prospective cost adjustment factor (CAF) of 2.73%. This CAF was developed using a base period of quarter two of calendar year 2024 and a two-year prospective rate period of quarter three of calendar year 2024 through quarter two of calendar year 2026. The CAF was calculated using the optimistic forecast of the Massachusetts-specific Consumer Price Index (CPI) Spring 2023 developed by IHS Markit Economics.

Rates for Automated Test Panel (ATP) codes, which have bundled rates for groups of codes, are proposed to be increased by the same CAF of 2.73%. The ATP payment methodology sets a single all-inclusive fee when a provider bills multiple panel tests on a single date of service.

Rates for COVID-19 testing codes are set to 100% of the corresponding 2023 Medicare rates. If no 2023 Medicare rate is available for a code, its rate is held constant to the existing rate in 101 CMR 320.00.

The rate for code 81528 (Cologuard (multi-target stool DNA-based colorectal screening)) is proposed at the same proposed non-facility rate for colonoscopy code 45378 (diagnostic colonoscopy without intervention) of \$262.58 proposed in amendments to 101 CMR 316.00: *Rates for Surgery and Anesthesia Services* that are expected to be effective on May 1, 2024. EOHHS has determined that the two procedure codes are comparable screening tools for colorectal cancer.

Codes currently designated as individual consideration (I.C.) will continue to be priced using I.C.

All other rates, including the rates for certain drug testing services, are proposed to remain at their current levels.

This proposal also updates language in 101 CMR 320.01(5) *Administrative Bulletins* giving EOHHS the authority to issue administrative bulletins to specify selective contracts and/or rebate agreements with eligible clinical laboratory vendors. The proposed amendments also remove or update obsolete provisions, update terminology, and enhance consistency with other EOHHS regulations.

Finally, EOHHS anticipates incorporating into 101 CMR 322.00 the 2024 CPT/HCPCS coding changes implemented via a forthcoming administrative bulletin as a post public hearing change.

Testimony on Proposed Amendments to 101 CMR 320.00
Clinical Laboratory Services
Effective September 1, 2024
April 19, 2024

The proposed amendments are in compliance with the requirement of M.G.L. Chapter 118E Section 13C, which requires that rates established by EOHHS for health care services be “adequate to meet the costs incurred by efficiently and economically operated facilities providing care and services in conformity with applicable state and federal laws and regulations and quality and safety standards and which are within the financial capacity of the Commonwealth.”

Fiscal Impact

It is estimated that the annual aggregate MassHealth expenditure will increase by approximately \$168,000 over base spending of \$131 million, as a result of the proposed amendments.

This concludes my testimony.

Thank you.