

Clinical Laboratory CoPays Will Reduce Access and Harm Beneficiaries FACT SHEET

The Senate Finance Committee Policy Options “Financing Comprehensive Health Care Reform...” proposal includes one option for “Modifying Beneficiary Contributions” that could result in Medicare beneficiaries paying 20% coinsurance for laboratory services.”

- A new co-pay requirement for laboratory services does not “save” our health care system money because it merely **shifts an estimated \$24 billion in costs from the government to the nation’s most vulnerable seniors**. Not only does this proposal dramatically increase seniors out of pocket health care costs, it would, according to the respected Institute of Medicine (IOM)¹, **hit the sickest and poorest seniors the hardest**.
- Charging seniors for laboratory copays is **at odds with Congress’ intent to encourage more prevention and early detection** of chronic diseases such as diabetes, heart disease, kidney disease and cancer – and laboratory tests are at the center of prevention and early detection. As stated in the May 20, 2009 Senate Finance Committee’s Expanding Health Care Coverage – “Evidence indicates that cost-sharing reduces Medicare beneficiaries’ utilization of preventive services.”
- The **average laboratory test copay would be \$2.30²** and the majority of laboratory test co-pays would be *well under \$5.00*. Yet, the IOM (in 2000) said it would cost an estimated \$5.00 per bill to collect the co-payment, in many cases **exceeding the amount of the copay itself**. Laboratories would have to rebill beneficiaries in many cases.
- For almost one-third of the 30 most commonly order laboratory tests – such as glucose, CBC, cholesterol, and other critical tests for diabetes, heart, kidney and other diseases – the copay would be less than \$2.00².
- These figures are for the most *commonly ordered* tests. There is **another critically important area of testing** that, because of their complexity and sophisticated technology, are **necessarily more expensive**. These are advanced diagnostic tests for cancer and other serious diseases and conditions that are used for early detection and choosing the best treatment that save billions of dollars and save countless lives. Copayments of 20% for these tests **could cost beneficiaries hundreds of dollars or more and provide a true disincentive for beneficiaries to utilize them**.
- The IOM report recommended against laboratory copays in Medicare.

¹ Medical Laboratory Payment Policy, Institute of Medicine, 2000

² Since 2003, when these figures were compiled, laboratory test prices have changed little because the fee schedule was frozen from 2003 until 2009 when it received a 4.5% update.

¹ Medical Laboratory Payment Policy, Institute of Medicine, 2000

² Since 2003 when these figures were compiled, the laboratory test prices in Medicare have changed little because the Medicare clinical laboratory fee schedule was frozen from 2003 until 2009 when the fee schedule received its lone increase of 4.5%.