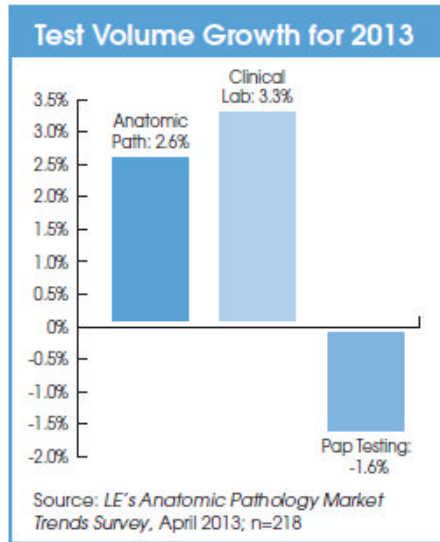


# LABORATORY ECONOMICS

*Competitive Market Analysis For Laboratory Management Decision Makers*

## GROWTH SLOWS IN ANATOMIC PATHOLOGY

After years of growth ranging from 5% to 10% per year, the U.S. anatomic pathology market is cooling off. Anatomic pathology volumes are expected to grow by only 2.6% this year, according to an exclusive survey of 218 pathology groups and labs conducted by *Laboratory Economics* in early April. Expected clinical lab test volume growth is stronger at 3.3%. Pap testing was weakest and is expected to decline by 1.6% this year because of extended testing intervals due to HPV testing and new vaccines. *For a full summary of LE's Anatomic Pathology Market Trends Survey, see pages 5-7.*



## AETNA SLASHES ITS LAB FEE SCHEDULE

Effective July 1, 2013, Aetna is lowering its standard lab fee schedule—the Aetna National Contract Default (ANCD)—for all its health plans to rates that are equal to only 45% or 50% of national Medicare reimbursement rates. Aetna says that it calculated its new rates based on “industry standard methodologies and sources.” However, all of its clinical lab, Pap test and anatomic pathology reimbursement rates are set at exactly 45% or 50% of Medicare’s Clinical Lab Fee Schedule or Physician Fee Schedule. *Continued on page 2.*

## PROPOSED BUDGET CALLS FOR LAB FEE CUTS

The Obama Administration has released its proposed federal budget for fiscal year 2014. The President’s budget includes \$371 billion in savings from Medicare, including \$9.46 billion from a proposed 1.75% reduction to the Clinical Lab Fee Schedule (CLFS) made each year from 2016 through 2023. This would extend the current 1.75% annual cuts to the CLFS (enacted under the Affordable Care Act of 2010) scheduled for 2011-2015.

This proposal, on top of cuts already scheduled under current law, would bring total cuts to the CLFS to 35% to 40% over the next 10 years, according to Mark Birenbaum, PhD, administrator for the National Independent Laboratory Assn. (St. Louis, MO).

On the bright side, the President’s budget proposal would retire the Sustainable Growth Rate (SGR) formula and undo the sequestration cut of 2% to physician pay and the CLFS that became effective April 1. There also was no mention of a lab co-pay in the proposed budget. *Continued on page 3.*

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