



Clinical Laboratory Fee Schedule: CY 2023 Annual Update

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Implementation Date: January 3, 2023

Related CR Title: Calendar Year (CY) 2023 Annual Update for Clinical Laboratory Fee Schedule and Laboratory Services Subject to Reasonable Charge Payment

Provider Types Affected

This MLN Matters Article is for laboratories submitting clinical laboratory claims to Medicare Administrative Contractors (MACs) for services they provide to Medicare patients.

Provider Action Needed

Make sure your billing staff knows about:

- Instructions for the CY 2023 Clinical Laboratory Fee Schedule (CLFS)
- Mapping for new codes for clinical laboratory tests
- Updates for laboratory costs subject to the reasonable charge payment

Background

Next CLFS Data Reporting Period for Clinical Diagnostic Laboratory Tests

Under the [CLFS final rule](#), reporting entities must give CMS certain private payor rate information for their component applicable laboratories. On December 10, 2021, the [Protecting Medicare and American Farmers from Sequester Cuts Act](#) (S. 610) delayed the reporting requirement and also delayed the application of the 15% phase-in reduction.

- The next data reporting period of January 1, 2023–March 31, 2023. It will be based on the original data collection period of January 1, 2019–June 30, 2019. After the next data reporting period, there's a 3-year data reporting cycle for CDLTs that aren't ADLTs (example: 2026, 2029)
- We're extending the statutory phase-in of payment reductions resulting from private payor rate implementation through CY 2024. There's a 0.0% reduction for CY 2021 and CY 2022. We won't reduce payment by more than 15% for CYs 2023–2025.

Policies for Specimen Collection Fees and Travel Allowance for Clinical Diagnostic Laboratory Tests

- **Specimen Collection Policy:** We increased the nominal fee for specimen collection using the Consumer Price Index for all Urban Consumers (CPI-U). For CY 2023, the general specimen collection fee will increase from \$3 to \$8.57. We'll also increase this amount by \$2 for those specimens collected from a Medicare patient in a skilled nursing facility (SNF) or by a laboratory on behalf of a home health agency (HHA), giving a \$10.57 specimen collection fee for those patients. We finalized a policy to update this fee amount annually by the percent change in the CPI-U.
- **Travel Allowance Policy:** We made certain modifications and clarifications to the Medicare CLFS travel allowance policies.

Advanced Diagnostic Laboratory Tests (ADLTs)

See the [CMS ADLT website](#) for more information about these tests.

Clinical Laboratory Fee Schedule Update to Fees

For a pap smear test, Section 1833(h)(7) of the [Social Security Act](#) (the Act) requires payment to be the lesser of the local fee or the national limitation amount, but not less than a national minimum payment amount. Payment for pap smear tests also can't exceed the actual charge. The CY 2023 national minimum payment amount is \$17.31, an increase of 8.7%. The affected codes for the national minimum payment amount are: 88142, 88143, 88147, 88148, 88150, 88152, 88153, 88164, 88165, 88166, 88167, 88174, 88175, G0123, G0143, G0144, G0145, G0147, G0148, Q0111, Q0115, and P3000.

The annual update to payments we make on a reasonable charge basis for all other laboratory services is the CPI-U, which for CY 2023 is 9.1% (See [42 CFR 405.509\(b\)\(1\)](#)).

Part B deductible and coinsurance don't apply for services paid under the CLFS.

Access to Data File

The [CY 2023 CLFS data file](#) will be available after December 1, 2022. It will be available in multiple formats including Excel®, text, and comma delimited.

Public Comments and Final Payment Determinations

On June 23, 2022, we hosted a public meeting to solicit comments on the reconsidered codes from CY 2022 codes and new CY 2023 CPT codes. A [summary](#) of the meeting and the tentative payment determinations is available.

Pricing Information

The CY 2023 CLFS includes separately payable fees for certain specimen collection methods (codes 36415, P9612, P9615, and G0471). The fees have been established based on Section 1833(h)(4)(B) of the Act.

We update the fees for clinical laboratory travel codes P9603 and P9604 annually. The clinical laboratory travel codes are billable only for traveling to perform a specimen collection for either a nursing home or homebound patient. If there's a revision to the standard mileage rate for CY 2023, we'll issue a separate instruction on the clinical laboratory travel fees.

The CY 2023 clinical laboratory fee schedule may also include codes that have a "QW" modifier to both identify codes and determine payment for tests performed by a laboratory having only a CLIA certificate of waiver.

Mapping Information

See table attached to [CR 13023](#), Tab A. Mapping Information, which lists the mapping information for codes.

Laboratory Costs Subject to Reasonable Charge Payment in CY 2023

Hospital outpatient claims are paid under a reasonable charge basis (See Section 1842(b)(3) of [the Act](#)). The reasonable charge can't exceed the lowest of the actual charge or the customary or prevailing charge for the previous 12-month period ending June 30, updated by the inflation-indexed update. The CPI update for CY 2023 is 9.1%.

Services described by HCPCS codes in the following lists are performed for independent dialysis facility patients. However, when these services are performed for hospital-based renal dialysis facility patients, payment is made on a reasonable cost basis. Also, when these services are performed for hospital outpatients, payment is made under the hospital Outpatient Prospective Payment System (OPPS).

Blood Products

See table attached to CR 13023, Tab B. Reasonable Charge.

Transfusion Medicine

See table attached to CR 13023, Tab B. Reasonable Charge.

Reproductive Medicine Procedures

See table attached to CR 13023, Tab B. Reasonable Charge.

New Codes - Proprietary Laboratory Analysis (PLAs)

See table attached to CR 13023, Tab C. New Codes Eff. 1-1-2023.

We added these new codes to the national HCPCS file with an effective date of January 1, 2023. These new codes are MAC-priced (where applicable) until they're nationally priced. MACs will only price PLA codes for laboratories within their jurisdiction.

More Information

We issued CR 13023 to your MAC as the official instruction for this change.

For more information, [find your MAC's website](#).

Document History

Date of Change	Description
December 9, 2022	Initial article released.

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