Pursuant to AB 1494 (Committee on Budget, Chapter 28, Statutes of 2012), the Department of Health Care Services (DHCS) will begin to develop a new rate methodology to establish reimbursement rates for clinical laboratories or laboratory services. AB 1494 directs the providers of these services to submit data reports to DHCS by December 27, 2012, which is six months after the enactment of the legislation; however, DHCS has elected to extend the deadline until January 31, 2013. The data is to be based on the previous calendar year and must specify providers' lowest amounts that other payers are paying, including other state Medicaid programs and private insurance. This data will be used to determine the reimbursement rates by procedure code based on an average of the lowest amount other payers are paying for similar clinical laboratory or laboratory services. DHCS may also consider geographical areas when determining reimbursement rates. In order to obtain uniform data from the provider community, DHCS has developed proposed data elements for the data submission.

DHCS seeks to obtain a wide range of data with this initial request as we have not yet developed the specifics of the rate methodology; we want to gather as much information as possible to ensure that lack of data does not prevent us from developing a sound methodology. Additionally, the Department may revise the data reporting requirements in future years once the methodology is established and we know which data elements still need to be reported.

Proposed data elements for Fee-For-Service provider data are:

- **Code** – Current Procedural Terminology (CPT) or Healthcare Common Procedure Coding System (HCPCS) codes. The new rates will be code specific.
- **Lab Name or Business Name** – Name of laboratory (doing business as) performing the service will be used to identify each lab.
- **Lab NPI** – National Provider Identifier (NPI) number of the laboratory performing the service will be used to identify each lab.
- **Lab Address** – Street address where the lab test was performed may be used for possible geographical consideration.
- **Lab City** – City where the lab test was performed may be used for possible geographical consideration.
- **Lab Zip Code** – Zip code where the lab test was performed may be used for possible geographical consideration.

- **Payer/Client Name or Business Name** – Payer/Client name or business name (doing business as) of the provider that took the sample will be used to identify each payer/client.
- **Payer/Client NPI (if applicable)** – NPI number of the provider that took the sample will be used to identify each payer/client.
- **Payer/Client Address** – Street address where the sample was taken will be used to identify each payer/client.
- **Payer/Client Indicator** – Enter a "P" or "C" to indicate if payer or client. This will allow DHCS to efficiently sort claims data.
- **Payer/Client City** – City the sample was taken may be used for possible geographical consideration.
- **Payer/Client Zip Code** – Zip code where the sample was taken may be used for possible geographical consideration.
- **Fee Schedule Rate or Contracted Rate** – The set amount the payer/client is charged for the service or the amount negotiated in a contract between the lab and payer/client. This will allow DHCS to compare contract/fee schedule to billed amount and paid amount.
- **Billed amount** – The amount the payer/client was billed for the service or the amount negotiated in a contract between the lab and payer/client. This will allow DHCS to compare contract/fee schedule to billed amount and paid amount.
- **Paid amount** – The amount the payer/client was paid for the service or the amount negotiated in a contract between the lab and payer/client. This will allow DHCS to compare contract/fee schedule to billed amount and paid amount.
- **Cost to Lab** – The actual total cost of performing the service. No cost should be entered that is recouped in billing a separate CPT/HCPCS code or modifier.
- **Eligible for a Volume Discount** – Yes or No reply to indicate if the payer/client was eligible for a volume discount as a result of performing this service. This will allow DHCS to efficiently sort data and identify discounts.
- **Eligible for a Rebate** – Yes or No reply to indicate if the payer/client was eligible for a rebate as a result of performing this service. This will allow DHCS to efficiently sort data and identify rebates.
- **Amount of Rebate** – Amount of rebate associated with this service. This will allow DHCS to identify actual/net paid amount.
- **Comments** – All comments including explanation for discounts and/or rebates will assist DHCS in analyzing data more efficiently.

Proposed data elements for Capitated Rates /Managed Care provider data are:

Capitated Rates/Managed Care proposed data elements will match all that is listed in Fee-For-Service *and* include the following:

- **Total Number of Tests Performed** – List the total number of tests performed for the payer/client for each specific code, lab location, business name, and NPI.
- **Fee Schedule Rate or Contracted Rate (if available)** – If available, provide set amount the payer/client is charged for the service or the amount negotiated in a

contract between the lab and the payer/client. This may allow DHCS to determine the rate per procedure.

- **Billed Amount (if available)** – If available, the amount the payer/client was billed for the individual occurrence of this service. This may allow DHCS to determine the rate per procedure.
- **Paid Amount (if available)** – If available, the amount the payer/client paid for the individual occurrence of this service. This may allow DHCS to determine the rate per procedure.