MEDICARE LAB FEE SCHEDULE TO BE CUT BY ANOTHER 2%

Congress has passed new legislation that will cut the Medicare Part B Clinical Lab Fee Schedule by 2% effective January 1, 2013. The lab cut will help pay for a 10-month delay in the scheduled 27% reduction to the Medicare physician payment rate that was to take effect March 1.

However, Congress will have to return to the physician fee issue later this year to avert an even larger Medicare pay cut, estimated to top 30%, in 2013.

The 2% lab cut has been labeled as a “rebase to Medicare clinical laboratory payment rates.” Previously scheduled cuts under the Affordable Care Act of 2010 (aka ObamaCare) and the Budget Control Act of 2011 will still be applied as well. More details on page 4.

MICHIGAN SUES QUEST TO RECOVER MILLIONS FROM ALLEGED MEDICAID FRAUD

The State of Michigan has intervened as a plaintiff in a civil lawsuit, Michigan ex rel. Hunter Laboratories LLC v. Quest Diagnostics Incorporated, et al., filed in Michigan Superior Court. The suit, originally filed by whistleblower Chris Riedel and his company Hunter Labs, alleges that Quest overcharged Michigan’s Medicaid program.

The case is very similar to Riedel’s lawsuits against Quest, LabCorp and six small labs in California for allegedly overcharging Medi-Cal. The California attorney general’s office joined Riedel in these suits. Ultimately, the labs paid settlements totaling approximately $300 million with Riedel receiving more than $75 million. More details on page 9.

TEXAS JUDGE AWARDS $700K TO EX-AMERIPATH PATHOLOGIST

A Texas court has ordered AmeriPath to pay more than $700,000 to Steven Hebert, MD, to cover his legal costs involved with a dispute over an alleged non-compete contract. Continued on page 2.
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