



ASSOCIATION FOR MOLECULAR PATHOLOGY

Education. Innovation & Improved Patient Care. Advocacy.

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FOR IMMEDIATE RELEASE

AMP Launches Micro-Costing and Health Economic Evaluation Tools for Genome Sequencing Procedures

Available Now to Molecular Diagnostic Laboratories at AMP.org

Bethesda, MD, March 4, 2015:

The Association for Molecular Pathology (AMP), the premier global, non-profit organization serving molecular diagnostic professionals, today released cost analysis results and health economic evaluation models for several genomic sequencing procedure (GSP) CPT codes. AMP also released a micro-costing analysis template tool, molecular diagnostic laboratories can use to calculate the cost of their next-generation sequencing (NGS) assays used to perform these procedures. Three health economic models, including customized models for whole exome analysis, tumor panel for non-small cell lung cancer (NSCLC), and hearing loss are now available to help demonstrate the economic value of NGS procedures.

“Labs are performing NGS procedures and it’s imperative that they get paid for these necessary services. Demonstrating the value of genomic sequencing procedures to key payers and clinical stakeholders is critical to establishing favorable and transparent reimbursement,” said Linda Sabatini, PhD, HCLD, Project Leader, NorthShore University HealthSystem. “The launch of these tools is ideally timed because Medicare Administrative Contractors are now requesting input from providers to help ensure appropriate allowances are established.”

Medicare payment rates for GSP codes will be finalized in November 2015 and the national payment rates will go into effect on January 1, 2016. This means that labs must work with Medicare Administrative Contractors (MACs) and commercial payers to ensure adequate values for these codes. In an effort to provide documented and actionable information to the MACs and commercial payers, AMP initiated and worked with clinical diagnostic laboratories to evaluate real world costs and the health economic impact.

Over a dozen laboratory protocols were collected to analyze cost information about assay validation, pre-analytics, sequencing, bioinformatics, and interpretation. As a result of this initiative, the micro-costing tool has been designed to estimate the total cost of NGS procedures. Protocols were separated into individual steps and assigned reagent costs, equipment minutes of time used and associated costs, and the personnel hands-on time and skill level. Laboratories can view the micro-cost analysis and use those values to estimate the cost of their individual lab procedures. AMP also provides a template where labs can micro-cost their own procedures. The three customized health economic value models present advantages over current standards of diagnostic analysis and demonstrate the economic impact of payers adopting these procedures.

“Near term, AMP hopes that laboratories will use these models to articulate to both Medicare and commercial payers the cost and value of these procedures to patient care,” said Aaron Bossler, MD, PhD, Chair of AMP’s Economic Affairs Committee, University of Iowa College of Medicine.

AMP enlisted the expertise of Boston Healthcare Associates and Tynan Consulting to complete this project and received support from Agilent Technologies, BD, BioReference Laboratories, and Roche. AMP beta tested these tools in February and solicited feedback from users in order to refine the models. The evaluation tools, webinar tutorial, and video step-by-step instructions are available online at <http://www.amp.org/committees/economics/NGSPricingProject.cfm>.

About the Association for Molecular Pathology

The Association for Molecular Pathology (AMP) was founded in 1995 to provide structure and leadership to the emerging field of molecular diagnostics. AMP's 2,300+ members include individuals from academic and community medical centers, government, and industry; including pathologist and doctoral scientist laboratory directors; basic and translational scientists; technologists; and trainees. Through the efforts of its Board of Directors, Committees, Working Groups, and members, AMP is the primary resource for expertise, education, and collaboration in one of the fastest growing fields in healthcare. AMP members influence policy and regulation on the national and international levels, ultimately serving to advance innovation in the field and protect patient access to high quality, appropriate testing. For more information, visit www.amp.org.

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