

# Introduction

RICK PANNING

**ABBREVIATIONS:** ACA – Affordable Care Act; ASCLS – American Society for Clinical Laboratory Science; ACO – Accountable Care Organization; DRG – Diagnosis Related Group

**INDEX TERMS:** Affordable Care Act, Accountable Care Organizations, Healthcare reform.

**Clin Lab Sci 2014;27(2):105**

*Rick Panning, MBA, MLS(ASCP)<sup>CM</sup>, Chair, ASCLS Government Affairs Committee · Director of Business Development for Shared Clinical Services, Fairview Health Services, Minneapolis, MN*

**Address for Correspondence:** Rick Panning, MBA, MLS(ASCP)<sup>CM</sup>, 4894 Meadow Lane, Shoreview, MN 55126, 651-280-5909, [panning4@comcast.net](mailto:panning4@comcast.net).

The landscape for the healthcare system in the United States is ever-changing. While everyone acknowledges that the system is broken and does not meet the needs of the American citizens, there is little agreement, and actually significant disagreement on how to “fix the system.” While the clinical laboratory and its approximately 300,000 professionals do not drive the change, they are significantly impacted by all of the changes. Clinical laboratory professionals do have an opportunity to enable the healthcare system and to demonstrate their value proposition at this important time.

This continuing education series concentrates on three related areas in the legislative and regulatory arena. Each article provides basic background related to each topic and attempts to address how the laboratory is impacted and what role(s) it has the opportunity to play in this dynamic time.

The first article is an introduction to healthcare reform, entitled *Healthcare Reform 101*. While it does not go into detail on the content of the more than 2700 pages

of legislation and over 20,000 pages of regulations, it provides the basic context in which healthcare reform (Affordable Care Act or Obamacare) was passed in March 2010 and summarizes the reasons behind the need for reform and the intended goals of the legislation.

While the future of health care reform is up for debate, it is likely that the Affordable Care Act will continue to provide the outline for much-needed change going forward. It is also quite likely there will be changes in some of the specifics of the legislation. Healthcare reform is difficult to achieve because of the magnitude of the system and the number of deficiencies that exist. As is often said, if it was easy it would have been done a long time ago. Regardless of what your political leanings are, the current legislation is the most sweeping proposed change since Medicare in the 1960s.

This article will provide a basic understanding of what healthcare reform is, and as importantly, what it is not. In July 2009, the American Society for Clinical Laboratory Science (ASCLS) House of Delegates passed a resolution related to healthcare reform. The resolution stated, “Whereas the goal of health care reform in the United States should be to support the following:

- Assure affordable, quality health coverage for all Americans
- Guarantee choice of health care providers and health plans
- Invest in prevention and wellness
- End barriers to coverage for people with pre-existing medical conditions
- Improve patient safety and quality of care.”

ASCLS reaffirms the following principles as stated in the position statement on health care reform, approved by the 1995 ASCLS House of Delegates.

- ASCLS supports access to accurate and reliable laboratory testing.
- ASCLS supports reimbursement at appropriate

- levels for quality services.
- ASCLS supports the efficient and cost effective delivery of laboratory services.

The second article focuses on one specific aspect of healthcare reform, the Accountable Care Organization (ACO). While much of the Affordable Care Act (ACA) focuses on payment reform, the section on the ACO is one in which quality and patient outcomes begins to be addressed. By forming organizations that represent the various players in the continuum of care – physicians (primary care and specialists), clinics, hospitals, skilled nursing, home care, hospice – the legislation lays out a prescription and an outline for “coordinated care.” Most of the quality limitations, waste and duplication in healthcare and outcome-related deficiencies occur during transitions in care. These occur because of a lack of coordination and communication during handoffs. The ACO model attempts to address these deficiencies and provide incentives and risk-sharing to enable the many components of the healthcare system to work together in the best interest of the patient. In addition to describing the model, this article attempts to address

the opportunities for the clinical laboratory professional in this model.

Finally, in a topic that seems to always be at the forefront of any discussion related to the clinical laboratory since the early 1980s, we discuss reimbursement for clinical laboratory services. The groundwork for reimbursement in the pre-Medicare world, the dawn of prospective payment with diagnosis related groups (DRGs) and the movement into the many changes impacting the laboratory with outpatient reimbursement are discussed. This article addresses how laboratory reimbursement has been eroded between 1984 and today. Additionally, we will look at the many challenges and threats to maintaining reimbursement in the near and long term future.

While these articles can each stand on their own, they are also interconnected. The healthcare system is complex and the main goal of this series is to raise your awareness of the issues and provide a context for you to understand the changes we will likely see going forward.

---

*The Focus section seeks to publish relevant and timely continuing education for clinical laboratory practitioners. Section editors, topics, and authors are selected in advance to cover current areas of interest in each discipline. Readers can obtain continuing education credit (CE) through P.A.C.E.® by completing the continuing education registration form, recording answers to the examination, and mailing a photocopy of it with the appropriate fee to the address designated on the form. Suggestions for future Focus topics and authors, and manuscripts appropriate for CE credit are encouraged. Direct all inquiries to the Clin Lab Sci Editorial Office, Westminster Publishers, 315 Westminster Court, Brandon MS 39047. (601) 214-5028, (202) 315-5843 (fax). westminsterpublishers@comcast.net.*

---