

AMP launches micro-costing and health economic evaluation tools for GSP

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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.

More information: The evaluation tools, webinar tutorial, and video step-by-step instructions are available online at www.amp.org/committees/economic/GSPricingProject.cfm.

Provided by Association for Molecular Pathology

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