

AMP genomic sequencing procedure microcosting and health economic costimpact analyses

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The Association for Molecular Pathology (AMP) today announced the results from a 2015 analysis of the costs and health economic impact of several Current Procedural Terminology (CPT) genomic sequencing procedures (GSPs). The *Journal of Molecular Diagnostics* published the results in a manuscript titled "Genomic Sequencing Procedure Microcosting Analysis and Health Economic Cost-Impact Analysis: A Report of the Association for Molecular Pathology."

In 2014, AMP, with the help of Boston Healthcare Associates, gathered more than a dozen protocols to analyze cost information about laboratory validation, pre-analytics, sequencing, bioinformatics, and interpretation. A major objective of the project was to provide laboratories with tools to accurately estimate the cost of performing GSP services. The CPT codes for these GSPs went into effect on January 1, 2015. To help establish favorable reimbursement for these GSP services, the release of these tools deliberately coincided with the Centers for Medicare and Medicaid Services' (CMS) gapfill timeline. Laboratories can use them to effectively communicate the cost and value of various GSP services to their Medicare Administrative Contractors (MACs).

The *Journal of Molecular Diagnostics* report includes aggregated cost and personnel time data from nine laboratories performing 13 GSPs. In addition, payer cost-impact models for three clinical scenarios were generated with assistance from key opinion leaders: impact of using a



targeted gene panel in optimizing care for patients with advanced nonsmall-cell lung cancer, use of a targeted multi-gene panel in the diagnosis and management of patients with sensorineural hearing loss, and exome sequencing in the diagnosis and management of children with neurodevelopmental disorders of unknown genetic etiology. Each model demonstrated economic value by either reducing <u>health care costs</u> or identifying appropriate care pathways.

"Genomic Sequencing Procedures are changing the way clinicians are diagnosing and managing hereditary diseases and the delivery of oncology care," said Linda Sabatini, PhD, HCLD, First Author and Project Leader, Director of Molecular Diagnostics at NorthShore University HealthSystem. "We hope that laboratories will use these tools to assess their individual costs, to consider the value structure in their own patient populations, and to contribute their data to the ongoing dialogue regarding the impact of GSPs on improving patient care."

More information: Linda M. Sabatini et al. Genomic Sequencing Procedure Microcosting Analysis and Health Economic Cost-Impact Analysis, *The Journal of Molecular Diagnostics* (2016). <u>DOI:</u> <u>10.1016/j.jmoldx.2015.11.010</u>

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