Summer 2026 Newsletter

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A Letter from the President

Greetings PA Three Rivers AAHAM Members,

I hope you are enjoying a wonderful start to the summer and taking advantage of the beautiful weather we've been experiencing across Western Pennsylvania.

Our chapter has already had an exciting and productive year. We kicked things off with the joint AAHAM/HFMA/ACHE event in March, followed by the PA/NJ Annual Institute (ANI) in May, and an engaging webinar series throughout May and June. These events provided valuable educational opportunities for our members, and I would like to extend my sincere appreciation to our Education Committee for their dedication and hard work in making them a success.

At the national level, AAHAM continues to make steady progress through its transition to new board leadership and a new management company. The Association Management Company (AMC) is assuming responsibilities related to member communications, website management, and certification program management. As these changes continue to roll out, you may receive communications from AMC, so please be on the lookout for updates.

We are also excited to share that the National ANI will return this year and will be held October 19–21, 2026, in Philadelphia, Pennsylvania. Be sure to mark your calendars for this premier educational and networking event.

For members maintaining AAHAM certifications, please remember that Medicare and payer-sponsored Lunch & Learn programs qualify for CEU credit. Since CEUs are now self-reported, it is important to retain all relevant documentation and attendance details for your records.

I would also like to extend a heartfelt thank you to the organizations that have participated in our 2026 Corporate Partner Program. We are grateful for the continued support of many longstanding partners and are equally excited to welcome several new organizations to our chapter community this year.

We look forward to seeing many of you at our Fall Conference, taking place September 15–16 at the Omni Bedford Springs Resort. It promises to be another outstanding opportunity for education, networking, and professional growth.

Thank you for your continued support and engagement with PA Three Rivers AAHAM!

Sincerely,

Alyshia Ravida, MHA
President, PA Three Rivers AAHAM

The Reporting Obligation Hiding in Your Outreach Lab

There is a federal data-reporting window open right now — running May 1 through July 31, 2026 — that a surprising number of hospital finance leaders are convinced has nothing to do with their organization. Many of them are wrong. And the price of that misread is paid twice: once in civil monetary penalties that can reach $10,000 per day, and again in Medicare laboratory payment rates that quietly erode for years afterward.

The requirement comes from the Protecting Access to Medicare Act of 2014, known as PAMA. If your health system runs an outreach or reference laboratory that tests specimens for people who are not your own patients — physician-office clients, other facilities, walk-in draw stations — there is a real chance you are an "applicable laboratory" that owes CMS a data report. Most CFOs have never been told this.

Before 2018, Medicare set Clinical Laboratory Fee Schedule (CLFS) rates the old-fashioned way — largely frozen historical charges, adjusted at the margins. PAMA replaced that with a market-based system. Today, Medicare rebuilds the CLFS from the rates commercial insurers actually pay for each test. Laboratories that meet the law's criteria report their final-paid private-payor rates and volumes, and CMS sets each test's Medicare rate at the weighted median of what private payers paid.

The mechanism is only as good as the data behind it. When labs that should report don't, the median is calculated from a narrower, less representative sample. Because hospital outreach labs typically command higher commercial rates than independent labs, their absence pulls the median — and therefore the Medicare rate — downward. Incomplete data from the first reporting cycle contributed to roughly $3.8 billion in CLFS payment reductions. The stakes here are not abstract.

The blind spot is structural, not careless. PAMA was drafted with independent commercial laboratories front of mind. An independent lab bills Medicare Part B under its own National Provider Identifier (NPI), so "the laboratory" is an obvious, self-contained reporting unit. A hospital is different. Its laboratory lives inside a large enterprise and bills everything — inpatient, outpatient, and outreach — under a single hospital NPI. Looking at that structure, it is natural to conclude that the hospital has no separate "laboratory" to report on, and that PAMA is an independent-lab problem. CMS anticipated exactly this reasoning and closed the gap with a mechanism most finance teams overlook: the type of bill. Rather than requiring hospitals to invent a separate NPI for their outreach business, CMS uses the 14X type of bill — the "non-patient" laboratory claim — to carve the outreach laboratory out of the rest of the hospital. If your hospital bills non-patient specimens on a 14X claim, CMS treats that slice of activity as a standalone laboratory for PAMA purposes. The determination, and any reporting duty, attaches to that 14X activity alone — not to the hospital as a whole. This is the single most important, and most misunderstood, feature of the entire framework.

Here is where intuition fails. Because your lab's enormous hospital-outpatient volume does not count, the overall size of your lab operation tells you almost nothing about whether you must report. Only 14X revenue is tested.

Consider a hospital laboratory that, during the data collection period, bills $2,000,000 of Medicare outpatient lab work on the 13X type of bill (registered hospital outpatients) and $100,000 of non-patient work on the 14X type of bill:

Revenue in the data collection period	How PAMA treats it
$2,000,000 billed on 13X (registered hospital outpatients)	Excluded entirely — not in the numerator, not in the denominator, not toward any threshold
$100,000 billed on 14X (non-patient / outreach)	The only revenue tested for applicable-laboratory status

The Reporting Obligation Hiding in Your Outreach Lab

The $2,000,000 is irrelevant to the PAMA determination. The entire analysis runs on the $100,000. Against that pool the lab applies two tests. First, the "majority of Medicare revenues" test: do CLFS and Physician Fee Schedule (PFS) revenues together exceed 50% of total Medicare revenue on the 14X claims? For a non-patient lab bill the answer is almost always yes — those claims consist almost entirely of clinical lab tests (paid under the CLFS) and the technical component of anatomic pathology (paid under the PFS), so the numerator and denominator are nearly identical. Second, the low-expenditure test — which is the one that actually decides the question.

Because the majority test is effectively automatic for outreach labs, the real gate is the low-expenditure threshold: the lab must receive at least $12,500 in CLFS revenue from its 14X activity during the data collection period. Clear it, and you are an applicable laboratory that must report. Fall short, and you are not — and, importantly, you are not permitted to report.
In the example above, if $90,000 of that $100,000 in 14X revenue came from CLFS tests, the lab clears $12,500 many times over and must report. Shrink the outreach footprint — say, $15,000 of 14X revenue with only $11,000 in CLFS — and the lab fails the threshold and is excused. For most health systems with any real outreach business, $12,500 is a low bar that is quietly met.

If your lab qualifies, the report is specific and claims-level. For each test on the CMS list, the lab reports three data points for every private-payor payment received during the collection period: the HCPCS code, the final private-payor rate paid, and the volume of tests paid at that rate. It is uploaded as a structured file to the CMS Enterprise Portal during the reporting window.

Two traps catch finance teams here. First, "private payor" is broader than commercial insurance — it explicitly includes Medicare Advantage plans and Medicaid managed-care organizations, which together can represent a large share of a lab's book and are frequently omitted. Second, the figure that matters is the final paid amount after all adjustments — not the billed charge, and not the contracted rate. Assembling this dataset from a year's worth of remittance data is not a same-week exercise, which is precisely why discovering the obligation in July is so much more painful than discovering it in January.

The obligation sits with the "reporting entity" — typically the parent hospital or health system — which reports on behalf of all of its qualifying laboratories at the Taxpayer Identification Number (TIN) level. One submission covers every applicable lab under that TIN.
The current cycle, reset by Section 6226 of the Consolidated Appropriations Act, 2026, runs on the dates in the box above: 2025 claims feed a 2026 reporting window, and the resulting rates phase in across 2027 through 2029. If your 2025 outreach activity crossed the thresholds, the data you need was generated more than a year ago — and the window to file it is open now.

What Finance Leaders Should Do Now:

1. Confirm whether your hospital bills non-patient specimens on the 14X type of bill. If it does, you have an outreach laboratory in CMS's eyes.

2. Pull 2025 Medicare revenue for that 14X activity and isolate the CLFS portion. If it meets or exceeds $12,500, you are almost certainly an applicable laboratory.

3. Confirm the majority-of-Medicare test on the same 14X pool. For most outreach labs this is a formality — but document it.

4. If you qualify, begin assembling final-paid private-payor rates and volumes by HCPCS code now, and be sure to include Medicare Advantage and Medicaid managed-care payments.

5. Identify your reporting entity and register for the CMS Enterprise Portal well ahead of the July 31 deadline.

Dennis Breen

Government Relations Chair

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Dr. Shawn Long

Value based payment expert and revenue cycle advocate

Dr. Nuket Curran

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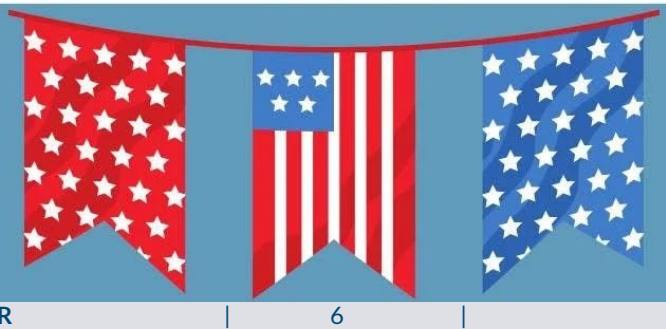

HIPAA Security Rule Changes: 2025 & 2026 HIPAA Updates

By: James Hedges, CPA, CHDA
Consultant, RubinBrown, LLP

HIPAA Security Rule Updates Driven by Cybersecurity Risks

The proposed modification to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) Security Rule ("the Rule"), released December 27, 2024, contains the most sweeping updates to the Rule since 2013.

Recent data breaches indicate the need to review the Rule and to dramatically enhancecybersecurity requirements for electronic protected health information (ePHI).

The single largest change in the proposed Rule is the elimination of the distinction between "required" and "addressable" safeguards, making all implementation specifications mandatory, with limited exceptions. Under the current rule controls that are addressable allow consideration of risk or cost in implementation, with proper documentation.

Other key provisions of the proposed HIPAA security rules changes and controls:

- Comprehensive written documentation of all security policies, procedures, plans, and analyses is mandated.
- Covered entities and business associates within the healthcare sector would be required to maintain and annually update a technology asset inventory and network map, conduct detailed security risk analyses tied to those inventories, and enforce access controls.
- Security incident response and restoration are required within 72-hours.
- Required technical controls include encryption of ePHI in transit and at rest, multi-factor authentication, biannual vulnerability scans, annual penetration testing and network segmentation.
- Finally, it imposes new verification requirements on business associates making them directly liable for HIPAA compliance, confirming adherence to safeguards and contingency plans within 24 hours of activation.

As this is a proposed rule issued through a Notice of Proposed Rulemaking from the prior administration, it is possible some of these provisions may change or be delayed by the Department of Health and Human Services. It is expected the modified rule will become final in May 2026. With a 240-day window to compliance, organizations should start to start a
plan for compliance.

The chart below lists the proposed implementation specifications and how they compare to the current rule.

HIPAA Security Rule Changes: 2025 & 2026 HIPAA Updates

Proposed HIPAA Security Rule Specification Comparison

Specification	Description	Current Status	Proposed Status	Proposed Status
Risk Analysis & Risk Management (annual, detailed)	Written, detailed annual risk analysis referencing asset inventory and network map; risk management plan documented.	Required	Required	No change
Technology Asset Inventory & Network Map	Written inventory of technology assets and a network map of ePHI data flows; updated at least annually and upon changes.		Required	New requirement for Covered Entity (CE) and Business Associate (BA)
Assigned Security Responsibility	Designation of a security official with documented duties and authority.	Required	Required	No change
Workforce Security (clearance/authorization & termination within 1 hour)	Written policies for granting/terminating access; access terminated within one hour of separation.	Addressable	Required	Access termination time requirement is new
Information Access Management	Information Access Management	Addressable	Required	Now required
Security Awareness & Training	Formal, documented training program for all workforce members.	Addressable	Required	New workforce members must receive training within 30 days.
Incident Response & Reporting (72-hour restoration objective)	Documented incident response plan; procedures to restore affected systems and ePHI within 72 hours; annual incident reviews.	Required	Required	Restoration required within 72 hours. Incident reviews every 12 months.
Contingency Plan (backup, disaster recovery, emergency operations, criticality analysis)	Documented contingency planning including criticality analysis to prioritize restoration; BA must notify covered entity within 24 hours of plan activation.	Required	Required	BA must notify CE within 24 hours of activation

HIPAA Security Rule Changes: 2025 & 2026 HIPAA Updates

Proposed HIPAA Security Rule Specification Comparison

Specification	Description	Current Status	Proposed Status	Proposed Status
Evaluation (annual compliance audit)	Annual documented evaluation/audit of Security Rule compliance.		Required	New requirement for CE and BA.
Business Associate Oversight (annual verification & 24-hour contingency activation notice)	BA and subcontractors provide annual written verification of deployed technical safeguards; BA must notify CA within 24 hours of activating contingency plan.		Required	New Requirement
Facility Access Controls	Controls to limit physical access to systems and facilities containing ePHI; documented.	Addressable	Required	Controls must be documented.
Workstation & Device Security	Policies for secure workstation use/configuration; device security documented.	Addressable	Required	Controls must be documented.
Device & Media Controls	Procedures for disposal, reuse, and movement of hardware/media containing ePHI.	Required	Required	Controls must be documented.
Access Control (unique IDs, emergency access, automatic logoff)	Documented access control mechanisms including unique IDs, emergency access procedures, and automatic logoff.	Addressable	Required	Controls must be documented.
Multi-Factor Authentication (MFA)	MFA required for all access to systems containing ePHI.		Required with limited exceptions	New requirement. Limited exceptions for systems or devices that cannot support MFA or emergency situations.

HIPAA Security Rule Changes: 2025 & 2026 HIPAA Updates

Proposed HIPAA Security Rule Specification Comparison

Specification	Description	Current Status	Proposed Status	Proposed Status
Audit Controls	Systems to record and examine activity in systems that contain or use ePHI; documented log review procedures.	Required	Required	Controls must be documented.
Integrity Controls	Technical measures to guard against improper alteration or destruction of ePHI; documented.	Addressable	Required	Controls must be documented.
Person/Entity Authentication	Mechanisms to verify identity before granting access to ePHI; strengthened via MFA.	Addressable	Required	MFA required
Transmission Security (encryption in transit and at rest)	Encryption required for ePHI in transit and at rest; limited exceptions must be documented.	Addressable	Required with limited exceptions	Now required
Vulnerability Management (scans & pen testing)	Scan for vulnerabilities at least every six months and conduct penetration tests annually; test effectiveness of certain measures annually.		Required	New Requirement
Configuration Management & Secure Deployment	Establish and deploy technical controls for consistent configuration of relevant systems; verify ongoing operation of controls.		Required	New Requirement
Backup & Recovery Controls	Separate technical controls to protect backups and recovery systems for ePHI and relevant systems.	Addressable	Required	Procedures to ensure recovery of relevant systems within 72 hours.

HIPAA Security Rule Changes: 2025 & 2026 HIPAA Updates

Proposed HIPAA Security Rule Specification Comparison

Specification	Description	Current Status	Proposed Status	Proposed Status
Group Health Plan Safeguards	Formal safeguards and documentation for PHI used by group health plans.		Required	New requirement.
Comprehensive Written Documentation & Retention	All policies, procedures, analyses, inventories, maps, audits, incident reviews, contingency plans, BA verifications must be documented and retained.	Required	Required	Verification of BA's and subcontractors.

HIPAA Compliance Window

The proposed HIPAA Security Rule marks a major shift toward stronger, more uniform cybersecurity expectations across the healthcare sector. By making security measures mandatory and introducing stricter technical and documentation requirements, the rule raises the bar for how organizations must protect ePHI. Although details may change before the new HIPAA security rule is issued in May 2026, the direction is clear and the 240-day compliance window will come quickly. Healthcare organizations should begin assessing gaps and planning now to ensure readiness and strengthen overall cybersecurity resilience.

2026 Sponsor Thank You

Christine Ifft, Sponsorship Chair

A heartfelt thank you to our AMAZING Pennsylvania Three Rivers AAHAM 2026 Sponsors!

Your generous support makes it possible for us to provide valuable educational programs, professional development opportunities, and networking events for our members throughout the year.

We recognize that many organizations are facing budget constraints and reducing sponsorship investments, which makes your continued commitment even more meaningful. Your partnership helps strengthen our chapter and supports the ongoing growth and success of healthcare revenue cycle professionals across our region.

We would also like to extend our sincere appreciation to those organizations that may not participate in an annual sponsorship program but generously support individual meetings, events, and initiatives throughout the year. Your contributions play an important role in helping us deliver quality programs and meaningful member experiences.

Thank you for investing in our members, our profession, and the future of Pennsylvania Three Rivers AAHAM. We truly could not do it without you!

Interested in becoming a sponsor? We invite organizations looking to connect with revenue cycle leaders and healthcare professionals to explore our sponsorship opportunities. Your support directly impacts the value we provide to our members while increasing your visibility within our healthcare community. We would love to partner with you in 2026 and beyond! Please reach out to Christine Ifft for further information at cifft@phx-pt.com.

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- Helps us improve future newsletters and content
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- Ensures we provide value to our members
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We are eligible to end this promotion at any time

Treasurer Note

Erica Methven, Treasurer

Account Balance from Summer 2026

Account	6/30/2026 Balance
Bank Accounts	
Non-Profit Checking xxxxxx1315	18,591.92
Scholarship	3,856.99
TOTAL Bank Accounts	**22,448.91**
OVERALL TOTAL	**22,448.91**

VS.

Account Balance from Spring 2026

Account	3/30/2026 Balance
Bank Accounts	
Non-Profit Checking xxxxxx1315	15,077.11
Scholarship	3,856.99
TOTAL Bank Accounts	**18,934.10**
OVERALL TOTAL	**18,934.10**


Pennsylvania Three Rivers Chapter
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