



July 10, 2019

Representative Scott Peters
2338 Rayburn Office Building
Washington, DC 20515

Dear Representative Peters,

The American Association for Clinical Chemistry (AACC) endorses your legislation, H.R.3584, the Laboratory Access for Beneficiaries Act, which seeks to ensure that the payment amounts on the new market-based clinical laboratory fee schedule, authorized under the Protecting Access to Medicare Act (PAMA), are accurate. In addition, the bill would explore whether there are more effective methods for gathering the data needed to set the rates. Many, including AACC, are concerned that the current methodology employed by the Centers for Medicare and Medicaid Services (CMS) is flawed, resulting in excessive cuts in laboratory reimbursement that may jeopardize patient access to vital laboratory services.

AACC is a global scientific and medical professional organization dedicated to clinical laboratory science and its application to healthcare. AACC brings together more than 50,000 clinical laboratory professionals, physicians, research scientists, and business leaders from around the world focused on clinical chemistry, molecular diagnostics, mass spectrometry, translational medicine, lab management, and other areas of clinical laboratory science to advance healthcare through collaboration, knowledge, expertise, and innovation.

If enacted, H.R.3584 would delay the next round of PAMA reporting requirements by one-year so that hospitals recently designated to submit payment data would have more time to comply with the mandate. In addition, the bill would direct the National Academy of Medicine to conduct a study that evaluates the methodology used by CMS to develop the new fee schedule and whether the data used to determine the new rates is representative of the laboratory market. AACC agrees with this approach.

Currently the data gathered and used by CMS in setting the new fees is overwhelming skewed towards one sector of the laboratory community. According to the agency, more than 90 percent of the private sector payment information came from independent commercial laboratories with only eight percent coming from physician office laboratories (POLs), and one percent from hospital laboratories. Given that POLs and hospitals account for 43 percent of Medicare Part B spending for outpatient laboratory tests, utilizing only nine percent of the private sector data

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from these entities has created a payment structure that is unrepresentative of the laboratory community. Modifying the current methodology to include more payment data from hospitals and POLs may improve the validity of the payment rates.

We look forward to working with you on this most important issue. If you have any questions, please email Vince Stine, PhD, AACC's Senior Director of Government and Global Affairs, at vstine@aacc.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Carmen Wiley", with a stylized flourish at the end.

Carmen L. Wiley, PhD, DABCC, FAACC
President, AACC