

# Michigan Section AACC Newsletter

## Fall 2014

Farewell Message from the Chair

Veronica Luzzi

This year more than ever in Michigan we hoped for a very bright and warm Summer after the long Winter we all experienced. Sadly, Summer came and went and now we are again starting to enjoy the beautiful change in colors that Fall brings. As all good things come to an end, so it was my tenure at Henry Ford Hospital. Just like Summer went by so fast, so it seems my 6 years in Michigan flew by and I did too have to say goodbye. I left many friends and colleagues after 6 amazing years of professional growth, great camaraderie, and friendship. As I reflect on this experience I realize I had the opportunity to expand my experience professionally as I learned more about institutional standardization, regionalization, and centralization of services without ignoring the need of special populations. I learned Lean implementation in a challenging time for the Health Care industry. Also, I have enjoyed the interaction with colleagues through the Michigan AACC meetings, organized to promote networking and collaboration among the different institutions in the areas. As the delegate to the House of Delegates for our section, I represented our group at the national level and voiced our concerns to the House. This year I had the honor of chairing our section as well and co-hosting the Spring Michigan meeting. I leave Michigan with enormous gratitude to all of my colleagues and friends for the confidence they deposited on me. For those of you that just start your careers I am hoping you prepare yourself for a great journey and are able to experience diversity of opinions, to learn in a friendly environment, and overall to have fun while life happens. Hope to see you around ...

Veronica

Message from Chair-Elect

Kenneth W. Simkowski, Sr.

I would like to start off by thanking Veronica for all of her hard work and dedication to the Michigan Chapter in her six years here in Michigan. We all wish her Good Luck as she moves to the Pacific NW and embarks on her new venture (*Farewell Message from the Chair*).

For those who do not know me, I started my career at Henry Ford Hospital in their Clinical Chemistry Fellowship training program in 1979. I then moved to the Detroit Medical Center working at Hutzel Hospital as a Clinical Chemist. I moved to sunny California in 1987, where I spent time at a small reference lab and worked for Beckman Instruments. In 1991, I moved to snowy Erie, Pennsylvania where I spent 22 years in a Central/Core/Reference laboratory. I am now a Clinical Chemist with Beaumont Health.

We have an exciting Fall meeting scheduled on Thursday, September 25<sup>th</sup> on *New Guidelines for Evaluating Cardiovascular Disease Risk* given by Dr. Rodney Hayward and Dr. Robert Brook from the University of Michigan at the Weber's Inn in Ann Arbor. As has been our tradition, on Thursday, November 13, 2014, Dr. Steve Wong, current President of the AACC, will be in town to speak to the Michigan section at the VisTaTech Center at Schoolcraft College in Novi. Details to follow.

We are currently soliciting volunteers to serve on the 2015 Michigan Section Executive Committee. Please see Steven Truscott's report in this Newsletter. I also want to point out that the National Office has extended the Membership Drive to the end of October 2014. We are looking to recruit new members into the ranks of the AACC on a National and Local level.

I look forward to guiding the Michigan Section of the AACC the rest of this year and thru 2015. We will be planning three meetings in 2015 for the Spring, Fall and Winter. I hope to see all of you at the November 13<sup>th</sup> meeting and have a great Fall.

Ken

## Nominations

Steve Truscott

Dear Michigan AACC Colleagues,

We are accepting nominations for the 2015 section leadership! Current section officers include:

Chair	Veronica Luzzi	Providence Regional Laboratories, Portland, OR)
Chair-Elect	Kenneth Simkowski	Beaumont Health System
Secretary	Elizabeth Sykes	Beaumont Health System
Treasurer	Donald A. Giacherio	University of Michigan Hospital
Delegate	Veronica Luzzi	Providence Regional Laboratories, Portland, OR)
Membership Chair	Murray Rosenthal	Terumo Cardiovascular
Nominating Committee	Steven M. Truscott	Beaumont Health System
Legislative Liaison	Raymond E. Karcher	Retired

Offices up for re-election will be listed on the ballot sent to you electronically through the AACC. Please consider serving your local section – and which of your colleagues you would like to consider for leadership roles. Send your nominations to Steven Truscott (Email: [steven.truscott@beaumont.edu](mailto:steven.truscott@beaumont.edu)). Ballot nominations will also be accepted in person at the Michigan AACC Fall 2014 Dinner Meeting in Ann Arbor. Self-nominations are also appropriate. Serving as an officer is a great opportunity to connect with and strengthen our local network of laboratory professionals.

Steve

The following are excerpts from Vince Stine's Government Affairs reports.

### Test Harmonization

Over the course of this year, AACC has been meeting and writing congressional staff and legislators to get 'report language' in the 2015 Departments of Labor, Health and Human Services, Education and Relations Agencies Appropriations bill, which recognizes the need to harmonize clinical laboratory test results. The good news is the Senate appropriations subcommittee with jurisdiction over this issue has included our language in the draft legislation <http://www.appropriations.senate.gov/sites/default/files/LHHS%20Report%2087258.pdf> (page 82)

Harmonization of Laboratory Test Results.-The Committee notes that laboratory professionals use a variety of test methods to obtain accurate and informative results to diagnose and treat patients, which may result in the reporting of different numeric values for the same test. Developing a process to "harmonize" these differing laboratory numbers into a common value is critical to reducing medical errors, improving the quality of care and empowering patients to participate in decisions affecting their care. The Committee urges the CDC to partner with the private sector in "harmonizing" clinical laboratory test results.

We are still working on getting this language included in its House counterpart. The purpose of the language is to bring awareness to the issue and encourage federal agencies to work with AACC and the other stakeholders to address this issue.

### Sanctions for referred proficiency testing

On May 2nd, the Centers for Medicare and Medicaid Services (CMS) published a final rule <http://www.gpo.gov/fdsys/pkg/FR-2014-05-02/pdf/2014-09908.pdf> in the Federal Register implementing changes to Clinical Laboratory Improvement Amendments regarding the severity of sanctions applied to laboratories that refer proficiency testing (PT) specimens to another laboratory. The changes, outlined in the "Taking Essential Steps for Testing Act of 2012," gives CMS greater discretionary authority in determining what punishments to impose. Based on the statute, CMS is creating three categories of sanctions for PT referral:

- \* Repeat referral cases - the laboratory license is revoked for one year and the laboratory owner and director are barred for one year. There could also be a civil monetary penalty (CMP).
  
- \* Single infraction - the laboratory license is suspended or limited for less than one year in conjunction with a CMP and other sanctions, including a directed plan of action.

\* Laboratory reports error prior to reporting results - laboratory would pay a CMP and comply with a directed plan of correction, which would include staff training.

The rule took effect on July 1st. To see AACC's endorsement of the initial legislation [http://www.aacc.org/gov/gov\\_affairs/positions/pos\\_stat\\_12/Documents/HousePT08012012.pdf](http://www.aacc.org/gov/gov_affairs/positions/pos_stat_12/Documents/HousePT08012012.pdf) or comments on the draft proposal [http://www.aacc.org/gov/gov\\_affairs/positions/pos\\_stat\\_13/Documents/Patient-referral-comments.pdf](http://www.aacc.org/gov/gov_affairs/positions/pos_stat_13/Documents/Patient-referral-comments.pdf), please go to the AACC website.

### Cuts to laboratory reimbursements

Since the HHS Office of the Inspector General (OIG) issued a report in June 2013, "Comparing Lab Test Payment Rates: Medicare Could Achieve Substantial Savings <http://oig.hhs.gov/oei/reports/oei-07-11-00010.pdf>," legislators have been looking for ways to cut lab reimbursement. The report, which compared Medicare with Medicaid and private payer plans, stated that "Medicare paid between 18 and 30 percent more than other insurers for 20 high-volume and or high-expenditure lab tests." In the very next month, the Centers for Medicare and Medicaid Services (CMS) released a proposal (later finalized) that stipulated the agency was going to review all laboratory CPT codes to determine whether technological changes altered the cost of performing the test. If yes, the agency would cut the fee -- there was no limit on how much the agency could cut the amount.

The issue of cutting laboratory payments has become a key element of congressional discussions on how to 'fix' flaws in the physician sustainable growth rate (SGR) formula. Passed by Congress in the late 1990s, the SGR routinely dictates cuts in physician payments -- often ranging from 20 to 30 percent. The cuts typically don't take effect, however, as Congress intervenes to prevent the reduction. Earlier in this year, the House passed legislation [http://insidehealthpolicy.com/iwpfile.html?file=mar2014%2Fhe2014\\_0281.pdf](http://insidehealthpolicy.com/iwpfile.html?file=mar2014%2Fhe2014_0281.pdf) that would put off the current physician SGR cuts for one year. Included in the bill were a number of changes to the clinical laboratory fee schedule-both as a means to pay for the extension as well as capture savings suggested by the OIG report. Here is a listing of some of the lab changes included in the bill:

\* The elimination of the CMS technology assessment panel scheduled to cut laboratory payments;

\* The creation of a new market-based fee schedule that assesses existing test fees every three years;

\* The establishment of lab fees on price data submitted by commercial labs (hospital prices are excluded), including discounts;

- \* Limits on the size of payment cuts in any year for a given test -- 10 percent annually between 2017-2019 and 15 percent annually between 2020-2022;
- \* The elimination of the consumer price index update for laboratory tests;
- \* The continuation of the cross-walking and gap-fill processes to pay for new tests (they are not subject to additional cuts);
- \* The creation of a new category of tests, the Advanced Diagnostic Laboratory Test (ADLT). Initially the lab will be paid its list price for the test. An ADLT is defined as a test "offered and furnished only by a single laboratory and not sold by a laboratory other than the original developing laboratory (or successor owner)" and is a genetic test combined with a "unique algorithm to yield a single patient-specific result," is cleared or approved by the FDA and meets other criteria set by the Secretary;
- \* The creation of an expert panel to provide input on payment rates for new lab tests;
- \* A mandate that GAO conduct a study to report on implementation of new payment system on beneficiary access; and
- \* A requirement that the OIG release annually a listing of the top 25 lab tests based expenditures.

There are no bills pending in the Michigan State Legislature related to laboratory services.

Ray

House of Delegates Report

Veronica Luzzi

House of Delegates Meeting – Sunday, July 27<sup>th</sup>, 2014 – 2:30-4:30 PM

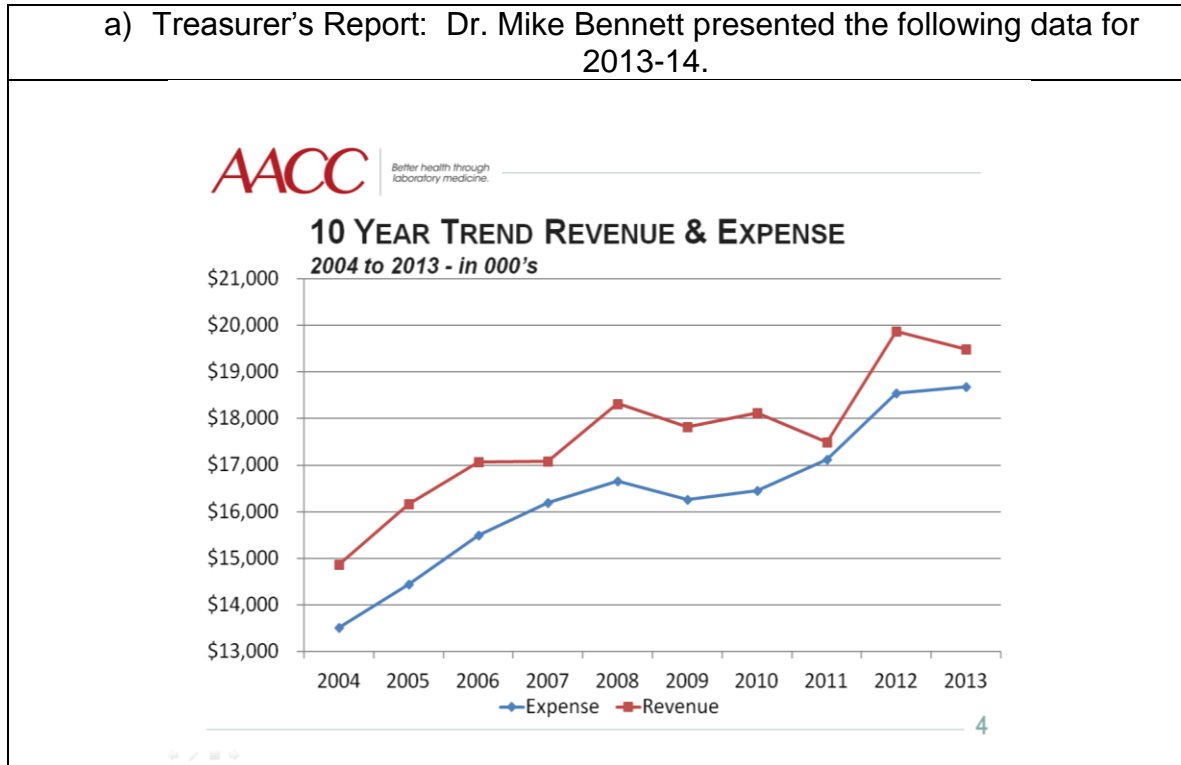
Opening of Meeting:

The first few minutes of the meeting consisted in introductions and welcome by Drs. Steve Wong and Steve Master and brief discussion of the meeting goals, house guidelines and approval of 2013 minutes. A manual for distribution to the house officers was also introduced. The manual covers the following topics: local section governance, committees, and administration; financial management; and leadership resources and operations; governance. The goal is to distribute the manual among officers in each local section to aid in the organization and implementation of a more effective professional association at the local section level.

Local Section Business & Updates:

During this part of the meeting the following presentations included financial update by Dr. Mike Bennett, bylaws amendment by Dr. David Grenache, AACC branding update by Beth Hampton, mapping of local sections by Dr. Stephen Master, and the AACC online community by Chris Zeigler. Presented below are the some of the highlights.

a) Treasurer’s Report: Dr. Mike Bennett presented the following data for 2013-14.



b) Change on the Definition of Members

Dr. David Grenache spoke about the oncoming bylaws changes. Below is a list of the proposed changes: 1) membership name changes; 2) nominating committee number of members.

Proposed Change on Membership Names

Current Name	New Name
Full member	Professional member
Affiliate Member	Professional Affiliate

	Member
Student Member	Trainee Member
New Category	
Transitional Member	

Proposed Change on Number of Members for the Nominating Committee

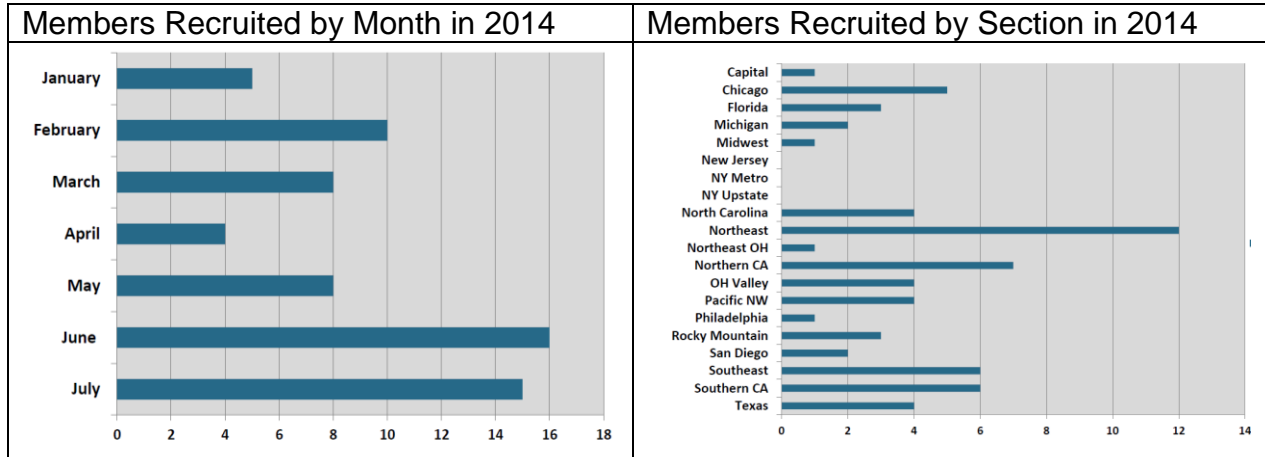
Nominating Committee	Current	Proposed
Number of members	5	9
Chair	Past President	Immediate Past President
Number of members elected per year	2	4
Term	2 years	2 years

Dr. Stephen Master spoke about the distribution of members in each local section and shared with the delegates maps of the regions. Below is the map of the Michigan section.



Enhancing Member Experience through Local Section Engagement:

Michele Horwitz presented some of the data available on increasing membership and engagement. The two graphs below were shown at the meeting.



Veronica