



Better health through laboratory medicine

March 20, 2014

The Honorable Fred Upton
Chair, Committee on Energy and Commerce
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Upton:

The American Association for Clinical Chemistry (AACCC) strongly opposes additional cuts in laboratory reimbursement. Health care professionals routinely use laboratory tests to diagnose, treat, and monitor health conditions ranging from high cholesterol and diabetes to cardiac disease and AIDS. AACCC is concerned that the President's fiscal year (FY) 2015 budget proposal, if implemented, may adversely affect patient access to these vital services while potentially reducing the overall quality of testing.

Laboratory tests play a key role in most clinical decisions, yet account for only 1.6 percent of the overall Medicare budget. Unfortunately, policymakers have repeatedly cut reimbursement for laboratory services in recent years. The cumulative effect of payment reductions in the Affordable Care Act (ACA), subsequent cuts resulting from the 2012 sustainable growth rate extension legislation, and the adoption and extension of cuts resulting from sequestration will reduce laboratory payments by more than 20 percent over the next decade. In addition, CMS plans to further reduce laboratory payments as a result of "technological changes," even though labor, administration and regulatory costs have all increased. These cuts are putting a financial strain on many clinical laboratories.

The Administration is now proposing additional cuts in laboratory reimbursement. The President's FY'15 budget would extend a provision from the 2010 ACA statute (set to expire in 2015), which reduces the consumer price index (CPI) for clinical laboratory services by 1.75 percent annually. The President's proposal would extend this provision through 2023, further reducing laboratory payments by another \$7.9 billion over ten years. AACCC is concerned that new reductions may:



- Hinder the development and implementation of newer technologies;
- Reduce the number of laboratories serving underserved populations;
- Decrease patient access to vital esoteric tests; and
- Diminish the quality of testing.

We urge you to preserve patient access to quality laboratory testing by opposing additional cuts in laboratory payments.

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By way of background, AACC is the principal association of professional laboratorians--including MDs, PhDs and medical technologists. AACC's members develop and use chemical concepts, procedures, techniques and instrumentation in health-related investigations and practice in hospitals, independent laboratories and the diagnostics industry worldwide. The AACC provides international leadership in advancing the practice and profession of clinical laboratory science and medicine and its applications to health care. If you have any questions, please call me at (336) 716-2639, or Vince Stine, PhD, Director, Government Affairs, at (202) 835-8721.

Sincerely,

Steven H. Wong, Ph.D., DABCC (TC), FACB
President, AACC