

July 17, 2019

The Honorable Charles Grassley
Chairman
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Ron Wyden
Ranking Member
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Richard Neal
Chairman
House Committee on Ways and Means
1100 Longworth House Office Building
Washington, DC 20515

The Honorable Kevin Brady
Ranking Member
House Committee on Ways and Means
1100 Longworth House Office Building
Washington, DC 20515

The Honorable Frank Pallone, Jr.
Chairman
House Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Greg Walden
Ranking Member
House Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

Dear Chairmen and Ranking Members,

Over the past two years, more than 53 million seniors who depend on clinical diagnostics for early prevention and effective treatment of chronic diseases have faced significant cuts to these laboratory tests. As organizations dedicated to protecting access to quality health services for Medicare beneficiaries, we urge Congress to delay the upcoming PAMA data reporting period, as required by H.R. 3584, *The Laboratory Access for Beneficiaries (LAB) Act*, providing the necessary time to advance bipartisan reform.

Millions of seniors who are managing diabetes, heart disease, liver disease, kidney disease, prostate and colon cancers, anemia, infections, opioid dependency and countless other conditions rely on routine access to laboratory tests to avoid painful and costly complications. In addition, laboratories serving nursing homes and rural communities are on the frontlines of care delivery for the most vulnerable patients, often providing rapid test results on a daily basis in order to triage health conditions and inform clinicians of any necessary changes to treatment regimens.

As part of the *Protecting Access to Medicare Act (PAMA)*, Congress directed the Centers for Medicare and Medicaid Services (CMS) to develop a market-based fee schedule for clinical laboratory services. Yet, the agency continues to rely on a faulty, incomplete data collection that has led to an erosion of seniors' lab benefits. By basing reimbursement on data collected from less than 1 percent of laboratories nationwide, CMS has imposed severe cuts – which for some tests will exceed 30% when fully implemented – to a range of laboratory services. Notably, cuts of this magnitude far exceed initial estimates from the Office of Management and Budget as well as the Congressional Budget Office, underscoring the failure of CMS to follow Congressional intent with the law.

The consequences have been severe. According to a survey by the Infectious Disease Society of America (IDSA), over 79% of respondents will be unable to provide the full range of testing needed to rapidly diagnose infectious diseases following the PAMA cuts of 2018 and 2019. Over 32% of respondents have

changed their test menu, and nearly 40% now refer more tests to another laboratory, which can cause life-threatening delays in diagnosis and care.

It's time for Congress to take immediate action to protect seniors. Bipartisan legislation recently introduced by Rep. Scott Peters (D-CA), Rep. Gus Bilirakis (R-FL), Rep. Bill Pascrell (D-NJ), Rep. Kurt Schrader (D-OR), Rep. Richard Hudson (R-NC) and Rep. George Holding (R-NC) – *H.R. 3584, The Laboratory Access for Beneficiaries Act (LAB Act)* – is a balanced, thoughtful effort to address the unintended consequences of PAMA. HR 3584 delays the next round of data reporting by one year to ensure that all applicable laboratories required to report private payor data have the time to do so. The bill would also commission the National Academy of Medicine to assess how best to improve PAMA implementation to better reflect Congress' original intent to establish a market-based fee schedule.

Suspending data reporting in 2020 accomplishes two critical goals: it allows a more representative share of labs to report private market data; and provides valuable time for stakeholders and policymakers to determine how to reform PAMA and ensure a truly market-based system that will protect Medicare beneficiary access.

Advancing the LAB Act is a common-sense solution that protects millions of seniors who depend on these essential lab tests. We stand ready to work with you to improve the PAMA data collection process and protect seniors' access to essential care and laboratory services.

Sincerely,

AdvaMedDx
Aging Life Care Association
Alliance for Aging Research
American Academy of Family Physicians
American Association for Clinical Chemistry
American Clinical Laboratory Association
American Geriatrics Society
American Health Care Association
American Medical Technologists
American Society for Clinical Laboratory Science
American Society for Clinical Pathology
American Society for Microbiology
American Urological Association
Association of Pathology Chairs
Caregiver Action Network
Caregiver Voices United
Clinical Laboratory Management Association
Global Liver Institute
Infectious Diseases Society of America
National Association for the Support of Long Term Care
National Independent Laboratory Association
New York State Clinical Laboratory Association
New York State Society of Pathologists
Point of Care Testing Association
Prevent Cancer Foundation
RetireSafe