



November 2, 2022

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
Washington, DC 20515

The Honorable Charles Schumer
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20510

Dear Madam Speaker, Mr. Leader, Mr. Majority Leader, and Mr. Minority Leader:

We write to ask that you delay impending reporting requirements and payment cuts scheduled to hit the Medicare Clinical Laboratory Fee Schedule (CLFS) for another year as Congress continues to work on permanent reform. In the absence of a permanent solution that could be passed by Congress this year, it is essential to the industry that Congress instead pass another delay to ensure the flawed payment cuts are not implemented in January.

The Laboratory Access and Benefits (LAB) Coalition is a diverse coalition of professionals across the laboratory industry working together to improve laboratory and testing policies. The LAB Coalition is committed to driving policies to create a more robust, sustainable, predictable, and accessible market for testing with a focus on improving care and outcomes for patients.

In 2014, Congress passed the Protecting Access to Medicare Act (PAMA) which included changes to Medicare's methodology for reimbursing laboratory testing. Rather than a complex regional approach, the CLFS was adjusted to a national payment rate based on a weighted average from the market. Labs began to comply with reporting requirements under PAMA in 2017 with payment cuts beginning in 2018. Since the implementation of PAMA, there have been widespread cuts to laboratory test reimbursement because of flawed data collection by the Centers for Medicare and Medicaid Services (CMS). According to the Medicare Payment Advisory Commission, cuts across the lab industry will be 24 percent on average by 2025.¹

The 117th Congress has made serious advances in finding a permanent solution to PAMA. Senators Richard Burr (R-NC) and Sherrod Brown (D-OH) introduced the Saving Access to Laboratory Services Act (SALSA), S. 4449, in June. SALSA takes many important steps that will be necessary for a permanent fix, including overhauling CMS's flawed methodology for determining lab reimbursement rates, setting annual guardrails on the amount rates can fluctuate, removing Medicaid rates from the formula for calculating reimbursement, and spacing out the reporting requirements. LAB Coalition stands ready to work with Congress and others in the

¹ Medicare Payment Advisory Commission, *Report to the Congress: Medicare and the Health Care Delivery System*, June 2021, available at http://www.medpac.gov/docs/default-source/reports/jun21_medpac_report_to_congress_sec.pdf.

industry on perfecting and passing the policy changes that SALSA has introduced into law. We want to ensure that any bill Congress passes to permanently reform PAMA will not result in a similar situation in five years where Congress must delay implementation of the reform bill.

Congress has recognized the impact of PAMA on the lab industry three times: first in the Further Consolidated Appropriations Act of 2020 to correct the clear problems from PAMA implementation, again in the Coronavirus Aid, Relief, and Economic Security Act to address the strains the pandemic has placed on labs, and most recently last year in the Protecting Medicare and American Farmers from Sequester Cuts Act. All three laws delayed the reporting requirements and payment cuts scheduled in PAMA. Given the lack of a clear path forward to passing a permanent reform bill this year, we ask that you once again delay the reporting requirements and payment cuts.

We urge you to delay PAMA reporting requirements and price cuts for an additional year and to pass this delay before the end of 2022. If you have any questions or if we can provide more information, please contact Brett Meeks (bmeeks@labcoalition.org). We appreciate your leadership on this issue in previous years, and we look forward to working with you to ensure a robust, sustainable, and affordable market for laboratory testing.

Sincerely,



Brett Meeks
Executive Director, LAB Coalition

CC:

Chairman Frank Pallone, Jr.
House Energy and Commerce Committee

Ranking Member Cathy McMorris Rodgers
House Energy and Commerce Committee

Chairman Richard Neal
House Ways and Means Committee

Ranking Member Kevin Brady
House Ways and Means Committee

Chairman Ron Wyden
Senate Finance Committee

Ranking Member Mike Crapo
Senate Finance Committee