

September 8, 2022

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles Schumer
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, DC 20510

Dear Speaker Pelosi, Leader Schumer, Minority Leaders McCarthy and McConnell:

As organizations representing laboratories, health care providers, laboratory professionals, and diagnostic manufacturers, we respectfully urge Congress to take action to protect patient access to clinical laboratory services by enacting the *Saving Access to Laboratory Services Act* (SALSA/H.R. 8188/S.4449) prior to January 1, 2023. SALSA is bipartisan and bicameral legislation to update Medicare's payment system for clinical diagnostic lab services, ensuring seniors and patients have access to essential diagnostic tests.

In 2014, Congress passed *The Protecting Access to Medicare Act* (PAMA/P.L. 113-93) to reform the Medicare Clinical Laboratory Fee Schedule (CLFS) to a single national fee schedule based on private market data from all types of laboratories that service Medicare beneficiaries, including independent labs, hospital outreach labs, and physician office labs (POLs). Unfortunately, the first round of data collection in 2017 failed to capture adequate and representative private market data, leaving out virtually all hospital outreach labs and significantly under sampling POLs. The significant under sampling led to nearly \$4 billion in cuts to those labs providing the most commonly ordered test services for Medicare beneficiaries. For context, the total CLFS spend for 2020 was only \$8 billion, less than 3% of Medicare Part B spending.

Congress has intervened on a bipartisan basis three times to delay the next CLFS reporting periods and twice to delay cuts to maintain access to lab services for patients. However, without a sustainable solution to this problem, labs face another round of cuts of up to 15% in January of 2023. This, at a time when we remain at the forefront of patient care and responding to public health disruptions and threats such as COVID-19.

The *Saving Access to Laboratory Services Act* (SALSA/H.R. 8188/S.4449) is a permanent solution that would set Medicare reimbursement for lab services on a sustainable path forward. SALSA will give CMS with new authority to collect private market data through statistically valid sampling from all laboratory segments for the widely available test services where previous data collection was inadequate. The bill ensures true private market rates are included, provides a much-needed reduction in reporting burden, and protects labs and Medicare from dramatic rate increases or decreases with a gradual phase-in approach going forward.

In short, enactment of the *Saving Access to Laboratory Services Act (SALSA/H.R. 8188/S.4449)* is urgently needed this year, to allow laboratories to focus on providing timely, high quality clinical laboratory services for patients, continuing to innovate, and building the infrastructure necessary to protect the public health.

Again, for these reasons, we respectfully urge Congress to protect patients by enacting *SALSA* this year, prior to the resumption of cuts to laboratories on January 1, 2023.

We would welcome the opportunity to discuss this critical issue with you and your staff, further. Please reach out to Tom Sparkman at tsparkman@acla.com and Erin Morton at emorton@dc-crd.com should you have additional questions or wish to schedule a meeting with our organizations.

Thank you for your time in considering this request.

Sincerely,

AdvaMedDx
American Academy of Family Physicians
American Association of Bioanalysts
American Association for Clinical Chemistry
American Clinical Laboratory Association
American Hospital Association
American Medical Association
American Medical Group Association (AMGA)
American Medical Technologists
American Society for Clinical Laboratory Science
American Society for Clinical Pathology
American Society for Microbiology (ASM)
Association of American Medical Colleges
Association for Molecular Pathology (AMP)
Association of Public Health Laboratories
California Clinical Laboratory Association (CCLA)
COLA Inc.
College of American Pathologists
Federation of American Hospitals
Infectious Diseases Society of America
Medical Group Management Association (MGMA)
National Association for the Support of Long Term Care
National Hispanic Medical Association
National Independent Laboratory Association
New York State Clinical Laboratory Association
Point of Care Testing Association