

Questions and Answers [For Patients] About Competitive Bidding

Q: *Our town has been selected – what does this mean for the residents?*

A: The San Diego area will be the guinea pig in the government’s experiment to limit access to local laboratory services. One of the major factors will be who can do it the cheapest. Clinical laboratory tests guide 70% of medical decisions, so they should **not** be done “on the cheap.”

At the end of this experiment, the current landscape of community laboratories available to service patients will be reduced. Community laboratories are just that – they live and work in the community in which they serve. If a community laboratory has the majority of its business in San Diego, and that laboratory is not selected, it could be forced out of business, without the ability to reenter the marketplace when the experiment ends. Your physician’s ability to choose laboratory services based on quality and service could soon become a relic of the past.

Q: *What are community laboratories and why do they matter?*

A: Community laboratories are dedicated and active members of the community in which they live. Many publicly-traded laboratories have decided **not** to service nursing homes and other assisted living facilities because they are less profitable. Community laboratories service that acute need and provide strong and viable sources of competition to national, publicly-traded laboratories.

Q: *But isn’t competition a good thing?*

A: Competition is good and it’s working in your community. CMS’s definition of “competition” is not what you learned in your high school economics class. It’s actually a wolf in sheep’s clothing. Currently, there are a variety of laboratories available to service the community. The CMS demonstration project will lower that number by selecting only a few laboratories that can bill for Medicare Part B services. Those that don’t qualify can **NOT** bill Medicare for these services. It doesn’t take an economist to figure out that local laboratories that do not win the bid may be bankrupted and unable to reenter the marketplace.

Q: *Who is affected most by this government experiment?*

A: Nursing home residents and other vulnerable patients will be hurt the most. The largest publicly-traded laboratories have decided not to service most nursing homes. But small and medium-sized community laboratories do by traveling to the nursing homes to gather the specimens.

Q: *How long will the demonstration project last?*

A: The demonstration project is supposed to last three years in two different locations. If this scheme is clearly a failure, the potential fallout is significant. The San Diego area could suffer greatly.

Q: *Isn't it worth giving this a try? Let's say it is unsuccessful – can't things just return to the situation that exists now?*

A: No. Experimenting with the lives of San Diego area residents is unacceptable. After this demonstration project ends, a number of small and medium-sized laboratories may be out of business. Re-entering the market will be difficult, if not impossible. No matter how you look at it, the landscape of available clinical laboratories will be changed.

Q: *This only limits the number of laboratories that can bill under Medicare Part B services. I am not on Medicare. This experiment won't affect me, right?*

A: Wrong. Many small and medium-sized laboratories that rely on revenue from serving the needs of patients on Medicare also serve non-Medicare patients. If these laboratories are not selected by CMS, they may go out of business. This limits the choices of EVERYONE in the community, not just those on Medicare.

Q: *What if an emergency happens? Won't fewer laboratories be detrimental to emergency responders?*

A: Absolutely. Many of the community laboratories that can rapidly respond to a crisis won't be around to provide quick, real-time and reliable laboratory services. Emergency responders need more options, not fewer, while facing a disaster. The recent fires in San Diego are a good example of such a disaster.

Many large laboratories send their specimens by air to be analyzed at a distant regional facility. If there is an airline strike or air travel is disrupted (for example, shut down by smoke from wildfires), it will affect the amount of time it takes to get laboratory results. This could mean a critical delay in proper medical attention to sick patients.

Q: *What can residents do about it?*

A: This needs to be stopped in its tracks. **Get in touch with your Member of Congress and both of your U.S. Senators to urge that this program be stopped – San Diego should not be used as a “guinea pig” in a government health-care experiment.**