

## Senators Salazar and Roberts Introduce Legislation to Preserve Medicare Access to Clinical Laboratories

WASHINGTON, DC- In an effort to ensure that Medicare beneficiaries have access to critical laboratory testing, today Senators Ken Salazar (CO) and Pat Roberts (KS) introduced the *Protecting Access to Clinical Laboratory Services Act of 2007* which would repeal the Medicare competitive bidding demonstration project for clinical laboratory services. If the demonstration project moves forward, it would be one step closer to essentially eliminating competition among clinical laboratories that accept Medicare reimbursements and would make access to labs difficult for millions of elder Americans.

### The Problem:

In the Medicare Modernization Act, Congress directed the Center for Medicaid and Medicare Services (CMS) to conduct a three-year competitive bidding demonstration project under Medicare for clinical laboratory services as a way to curb Medicare expenses for laboratory services. Both Denver and Kansas City are possibilities for the test sites. Once the sites are selected, all clinical laboratories serving Medicare beneficiaries would be required to submit the bids of the amount they would charge the program to provide laboratory services. The lowest bids meeting the requirements of the project would be selected and would serve all Medicare beneficiaries' clinical lab work in that immediate area.

The laboratories not selected would not be able to receive reimbursement from Medicare for laboratory services. This will have a negative impact on smaller laboratories and hospitals that may no longer be able to bill Medicare for their services and many may be forced to close. This would hinder competition and drive smaller labs, which serve many Medicare patients, but do not win the contract, out of business.

The closure of these small labs will also result in diminished access to care for Medicare beneficiaries served by the smaller laboratories. Seniors who had clinical laboratory tests in their physician's office or nearby hospitals will be required to have the tests performed at test centers that may be significant distances from their providers. As a result, many seniors may forego critical laboratory tests that detect ailments and diseases.

**"We don't need to support implementation of a program that decreases access to and competition in the clinical lab market,"** said Senator Salazar. **"I will continue to work with the Finance committee to find a more appropriate way to adequately reimburse for quality, efficient laboratory services. Eliminating competition and making it more complicated for seniors to get lab tests that detect diseases and lead to timely treatment is not the answer."**

**"Unfortunately, this demonstration project could force many labs to close their doors and leave seniors without timely access to lab services,"** Senator Roberts said. **"Using competitive bidding as a way to reform Medicare payments for clinical lab services is the wrong approach. In the long run, it will lead to less access to clinical lab services and slower result times. As a member of the Finance Committee, we will work to find a better way to reimburse for clinical laboratory services."**

### The Solution:

*The Protecting Access to Clinical Laboratory Services Act of 2007* introduced by Senators Salazar and Roberts today would repeal the demonstration project that will cause small laboratories to close and will

hinder seniors' access to clinical laboratories. Even an independent study by the respected Institute of Medicine in 2000 came to the conclusion that "the disadvantages of competitive bidding outweigh its advantages for use as the basis of payment."

The following groups have endorsed the Salazar-Roberts bill. American Association of Bioanalysts, American Association for Clinical Chemistry, American Clinical Laboratory Association, American Health Care Association, American Hospital Association, American Medical Technologists, American Society for Clinical Laboratory Science, American Society for Clinical Pathology, American Society for Microbiology, Billings Clinic, Cleveland Clinic, Clinical Laboratory Management Association, College of American Pathologists, Laboratory Corporation of America, Marshfield Clinic, Mayo Clinic, National Independent Laboratory Association, Quest Diagnostics Inc. and Siemens Medical Solutions Diagnostics.