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SMALL CLINICAL LABORATORIES CAMPAIGN TO STOP GOVERNMENT HEALTH CARE EXPERIMENT IN ITS TRACKS

Member Labs Voice Concerns in House Small Business Committee Hearing

WASHINGTON, D.C. – The nation’s small clinical laboratories remain united in their efforts to repeal an ill-considered and unwise government-hatched scheme which will limit patients’ access to local clinical laboratory services. In testimony today before the U.S. House of Representatives Small Business Committee, the National Independent Laboratory Association (NILA) and two of its member labs, Shiel Medical Laboratory and Aculabs, testified that the government has not done its homework on its experimental program and will reduce both competition and the quality of care.

“We have a medical disaster in the making and it is just unconscionable that seniors will suffer the most under this experiment by the government,” said Mark Birenbaum, NILA’s Administrator.

CMS, as part of the Medicare Prescription Drug, Improvement and Modernization Act of 2003, must conduct two demonstration projects using so-called “competitive bidding” for clinical laboratory services. The agency will accept bids on laboratory services and select labs to perform tests that will be reimbursed under Medicare Part B services. Rather than creating competition, it will result in fewer labs, less competition and the government in essence picking winners and losers.

“The real losers will be seniors and their care givers,” said Birenbaum. “It is difficult to understand why the government is moving full-steam ahead with this health care experiment that treats our senior citizens and other vulnerable residents as guinea pigs. Questions about fundamental safety issues such as the quality of laboratory testing and guaranteed access for Medicare beneficiaries are still left unanswered. These questions have gone unanswered for two years and it is time to put the brakes on this experiment.”

The experiment is currently scheduled to last three years. However, the impact on the local community labs will be long-lasting. Nursing homes, for one, rely on community labs to do testing for their residents because the large publicly traded labs have historically refused to service them.

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NILA focuses on business/management issues facing laboratories, such as marketing/sales, contracting with managed care companies, finding and keeping good employees, financial management, expanding test menus, managing growth, competing with big, publicly traded laboratories, and acting on legislative and regulatory issues facing the laboratory industry. Shiel Medical Laboratory is one of the country's oldest, continuously operating clinical laboratories, and New York City's largest privately held lab. Aculabs, Inc. a full service laboratory, has provided superior quality laboratory testing for over 35 years, and is dedicated to providing service of their medical and scientific expertise to meet the need of the health care provider.

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