August 6, 2013

The undersigned State Pathology Societies and National Pathology Organizations, representing pathologists across the nation, strongly urge you to prevent the Centers for Medicare and Medicaid Services (CMS) from making drastic and over-reaching cuts to the technical component (TC) and global payments for many anatomic pathology services used to diagnose cancer. Last month, CMS, as part of the 2014 proposed physician fee schedule rule, proposed cuts of over 50% for some services, and by as much as 80% for certain codes. If implemented, cuts of this magnitude will have devastating consequences for local independent laboratories and the patients they serve.

This arbitrary new policy calls for large payment reductions for over 200 physician services, including pathology, and seeks to apply average hospital-based payment group levels to physician services based on the flawed assumption that a service is “misvalued” simply because Medicare payment is greater in the physician’s office than in a hospital outpatient department (HOPD) or ambulatory surgical center (ASC). The agency proposes, with a few exceptions, to cap physician payments for these services at the HOPD or ASC level. Not only is this apples and oranges, but the proposal fails to account for the resource costs associated with specific physician service codes.

Critically, the proposal would reduce payment below the cost of the components used to perform many pathology services! No physician practice can stay in business if their costs exceed their revenue. These drastic cuts will threaten patients’ access to pathology services used to diagnose skin, colon, ovarian, breast and prostate cancer as well as leukemia and lymphoma. Jobs will be lost and many local laboratories will have to shut their doors.

Current law requires physician fee schedule payments to be resource based. By linking payments to physicians to HOPD average group payments, the proposed rule not only violates Medicare law, but usurps the AMA-RUC process. The RUC process is the proper way to value physician service codes. It has shown itself to be accurate and fair, and has been thoroughly vetted over many years.

Congress must stop CMS from moving forward with these proposed pathology cuts. We urge you to contact CMS immediately and demand the proposed rule be halted.

Sincerely,

Alaska Society of Pathologists
Arizona Society of Pathologists
Arkansas Society of Pathologists
California Society of Pathologists
Connecticut Society of Pathologists
Florida Society of Pathologists
Georgia Association of Pathologists
Hawaii Society of Pathologists
Idaho Society of Pathologists
Illinois Society of Pathologists
Indiana Society of Pathologists
Iowa Association of Pathologists
Kansas Society of Pathologists
Kentucky Society of Pathologists
Louisiana Pathology Society
Maine Society of Pathologists
Maryland Society of Pathologists
Massachusetts Society of Pathologists
Michigan Society of Pathologists
Minnesota Society of Pathologists
Mississippi Association of Pathologists
Missouri Society of Pathologists
Montana Society of Pathologists
Nebraska Association of Pathologists
Nevada Society of Pathologists
New Hampshire Society of Pathologists
New Jersey Society of Pathologists
New Mexico Society of Pathologists
New York State Society of Pathologists
North Carolina Society of Pathologists
Ohio Society of Pathologists
Oklahoma State Association of Pathologists
Oregon Pathologists Association
Pennsylvania Association of Pathologists
Rhode Island Society of Pathologists
South Carolina Society of Pathologists
South Dakota Society of Pathologists
Texas Society of Pathologists
Utah Society of Pathologists
Vermont Pathology Society
Virginia Society of Pathologists
Washington State Society of Pathologists
Wisconsin Society of Pathologists, Inc.
Wyoming Society of Pathologists

American Academy of Oral and Maxillofacial Pathology
American Pathology Foundation
American Society for Clinical Pathology
American Society of Cytopathology
Association of Pathology Chairs
College of American Pathologists
National Association of Medical Examiners