

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 Pathologist  
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