

## IMPORTANT NEWS FOR AAB MEMBERS!

President Bush's 2007 budget submitted to Congress on Monday, February 6, 2006, proposes to implement competitive bidding for Part B clinical laboratory services.

The proposal was made even though the Medicare Competitive Bidding Demonstration Project is still in the planning stages.

Following are two references in the President's budget to competitive bidding for Part B clinical laboratory services:

- **Promoting Competition.** The MMA (Medicare Modernization Act) included provisions to incorporate market competition into purchasing medical items needed to treat beneficiaries. Competition is an important approach to improving care for beneficiaries by enhancing quality and lowering costs. The Administration will implement a competitive bidding program in July 2006 to enable physicians to obtain certain drugs used in their offices at lower prices. The Administration will expand the use of additional competitive bidding programs in 2007, for example, into the purchase of medical supplies and equipment. **In particular, the Budget proposes to integrate competitive bidding into payment of clinical laboratory services.** (p. 124)
- **Competitive Bidding for Labs:** CMS successfully tested a competitive bidding model for DME in Polk County, Florida and San Antonio, Texas. Based on that success, MMA expanded DME competitive bidding nationwide and required a similar competitive process for outpatient drugs. The Budget proposes to build on these successful competition models by **extending competitive bidding to Medicare laboratory services.** (p. 54)

The President's complete budget is posted on AAB's web site at [www.aab.org](http://www.aab.org)

### **AAB plans to vigorously oppose President Bush's competitive bidding proposal.**

We will be calling on you and all AAB members to help in this effort. Here are some things you can do:

1. **Contact your U.S. Senators and Representatives.** A "Talking Points" paper is posted on AAB's web site to assist you in covering the important points to be made.
2. **Make a donation** to AAB's Defense Fund and/or AAB's Political Action Committee.
3. **Encourage other laboratorians to become active** in this effort.
4. **Encourage other laboratorians to become AAB members.**

AAB will be forwarding additional information in the near future. Please contact the AAB office if you have any questions by phone: (314)241-1445, fax: (314)241-1449 or email: [aab@aab.org](mailto:aab@aab.org)