COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515

March 29, 2016

The Honorable Andy Slavitt
Acting Administrator
Centers for Medicare and Medicaid Services
U.S. Department of Health and Human Services
7500 Security Boulevard
Baltimore, MD 21244

Dear Acting Administrator Slavitt:

We are writing to express our concerns about the current implementation timeline for Section 216 of the Protecting Access to Medicare Act of 2014 (P.L. 113-93). Given that CMS has yet to issue a final rule to move the Clinical Laboratory Fee Schedule (CLFS) to a market-based payment methodology, we have serious concerns that the process will be improperly rushed in order to meet the existing January 1, 2017 effective date.

Updating the CLFS is a highly complex task with significant implications for all stakeholders, with a reach far beyond the Medicare program. We believe the critical alterations to the CLFS must be accomplished in a deliberate and measured manner, so that laboratories have sufficient time, once the final rule and subregulatory guidance are issued, to comply. **Given the delays in the rulemaking process, the January 1, 2017 effective date for the new CLFS payment methodology is not feasible and should be delayed.**

While Section 216 contained an effective date of January 1, 2017 for the new payment system, it included two other deadlines of significance. First, it required that a final rule be issued by June 30, 2015 for publication of a final rule and it required that reporting of prices would begin on January 1, 2016. Obviously, neither of these deadlines has been met. Congress set up this specific set of milestones to ensure that laboratories and CMS would have sufficient time to collect, report, submit and analyze private payor data, and establish new reimbursement rates. We strongly believe this timeframe is necessary to successfully implement market-based reform.

It is imperative that both the Agency and laboratories are afforded the best opportunity to construct this market-based payment system, and implementation should be done in a fair and reasonable manner in the best interests of beneficiaries, clinicians, laboratories, and the Medicare program. We urge CMS to work with Congress, as well and the laboratory and beneficiary communities, on implementation. We look forward to your timely response.

Sincerely,

PAT TIBERI
Chairman
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Committee on Ways and Means

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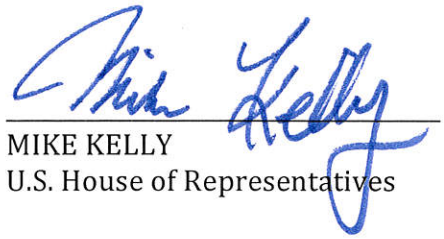

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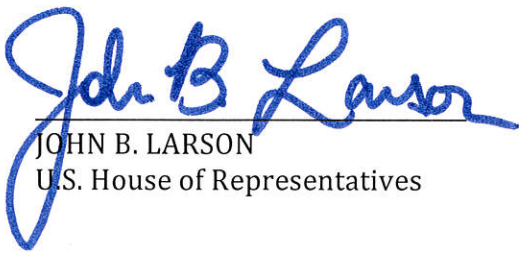

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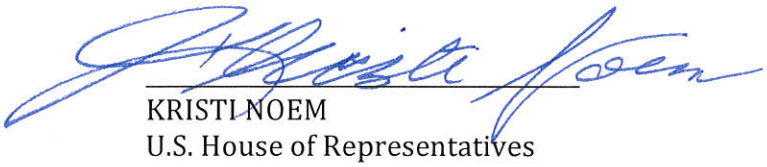

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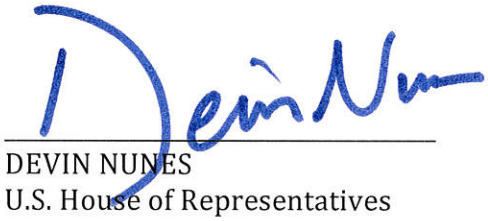

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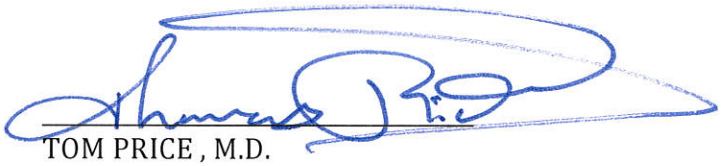

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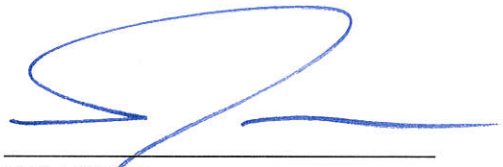

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