

Contact Your Senators and Representatives Today!

Oppose Proposal to Implement Competitive Bidding

The President included a proposal in his annual budget to move directly to implementing “competitive bidding” for clinical laboratory services beginning in 2007. This proposal, if adopted, would allow the government to concentrate the provision of clinical laboratory services in the hands of a few providers.

Key points to raise with your elected officials:

- Laboratory services are essential to proper diagnosis and treatment of patients. Moving all these services in a region to the lowest bidder is a prescription for disaster.
- The government should not be allowed to dictate market share and establish local monopolies. This is the opposite of competition. This method of procurement could allow large national laboratories with deep pockets to temporarily lowball bids in order gain market share and eliminate local community laboratories.
- Nursing home services are particular vulnerable. Most national laboratories have abandoned nursing home sites. If community laboratories are wiped out by competitive bidding, there will be no service provider for nursing home patients.
- The Institute of Medicine (IOM) studied laboratory reimbursement extensively and rejected competitive bidding as a method for procuring laboratory tests. CMS has not yet completed its required report to Congress on the feasibility of applying competitive bidding to laboratory services.
- This new competitive bidding model has never been tested. No one knows what impact it will have on patient access, quality of testing, or cost. Congress has requested that the Administration conduct a demonstration project prior to moving forward with this idea. The Administration’s budget ignores this Congressional directive.
- For these reasons, we strongly urge you to oppose including competitive bidding for Part B clinical laboratory services in the FY 2007 budget.

You may contact your representative through the U.S. Capitol Switchboard at (202) 224-3121. To find the names of your two Senators and your Representative, use the following web sites:

U.S. House of Representatives -- <http://www.house.gov>

U.S. Senate -- <http://www.senate.gov>