

April 27, 2018

The Honorable Seema Verma  
Administrator  
Centers for Medicare and Medicaid Services  
U.S. Department of Health & Human Services  
Hubert H. Humphrey Building  
200 Independence Avenue, SW  
Washington, DC 20201

Dear Administrator Verma:

The undersigned organizations represent physicians who provide direct patient medical care and are writing to express our serious concerns that Medicaid beneficiaries in a number of states are on the verge of losing access to clinical testing services, including convenient and expedient in-office testing services. Reportedly, in a number of states there are reductions slated in Medicaid reimbursement for clinical testing. Some, if not all, of these cuts in reimbursement may have been precipitated by the Centers for Medicare & Medicaid Services (CMS) implementation of the new payment methodology mandated by the Protecting Access to Medicare Act (PAMA). However, to the extent the Medicaid cuts result in reimbursement below the Medicare rates, Medicaid beneficiaries will experience greater difficulty accessing quality care compared to other patient populations. The loss of equal access to rapid, point-of-care testing will result in delayed diagnosis and treatment, increased acuity, the use of higher cost care delivery sites such as emergency departments, higher care coordination costs, and limitations on the ability of physicians in communities across the nation to triage when there is an infectious disease outbreak.

We are also concerned that the methodology for calculating reimbursement, even under the best case scenario, will limit beneficiary access to testing services. PAMA rates are widely expected to reverse the positive trend of providing rapid, accurate clinical testing during a patient's medical appointment—one of the key promises of 21<sup>st</sup> Century medicine. Medically fragile or compromised patients who face delays in testing will have worse outcomes, increasing program costs. Patients who have to wait longer for results will also often have to wait longer for appropriate treatment, including prescription medication. Such patients could also face additional logistical difficulties traveling to multiple facilities to obtain services and could have less clinical testing adherence. These patients may wait until their condition becomes more acute and more costly to treat. As patient acuity increases, these beneficiaries are then more likely to utilize emergency departments to access care. The cost savings that Medicaid programs would achieve in the short-term would disappear over time as care becomes fragmented and delivered in higher cost sites of care. Finally, physician practices play a critical triage role when there is an infectious disease outbreak which will cease once rapid, point of care tests are no longer accessible.

We urge you to contact State Medicaid Directors concerning the PAMA rates and remind them that reimbursement for laboratory services must be sufficient to ensure equal access to those services for Medicaid beneficiaries. Where a state plan amendment is required to implement rate reductions below PAMA rates, we urge CMS to deny these proposed amendments, given the likely adverse impact of further reductions on continued access to laboratory services for Medicaid recipients. Under Medicare, payment rates in 2018 for many laboratory tests on Medicare's Clinical Laboratory Fee Schedule (CLFS) have been cut by as much as 10 percent and future reductions will occur in 2019 and 2020 due to PAMA. Additional Medicaid cuts would conflict with the equal access protections afforded to Medicaid beneficiaries under section 1902(a)(30)(A) of the Social Security Act, which requires payments to be sufficient to enlist enough providers so that care and services are available under the plan at least to the extent that such care and services are available to the general population in the geographic area.

We welcome the opportunity to share the critical role that rapid, accurate testing for patients as part of their medical visit plays in improving testing adherence, prescribing, care coordination, and triage for infectious disease outbreaks. The foregoing are central to improving health outcomes, advising patients in near real time concerning test results, and provide physicians with essential information to optimize a patients visit while reducing the need for follow-up visits.

Sincerely,

American Medical Association  
Advocacy Council of ACAAI  
American Academy of Family Physicians  
American Academy of Home Care Medicine  
American Academy of Physical Medicine and Rehabilitation  
American College of Allergy, Asthma and Immunology  
American College of Emergency Physicians  
American Academy of Allergy, Asthma & Immunology  
American College of Obstetricians and Gynecologists  
American College of Osteopathic Internists  
American College of Physicians  
American College of Rheumatology  
American Society for Clinical Pathology  
American Society of Addiction Medicine  
Association of American Medical Colleges  
College of American Pathologists  
Infectious Diseases Society of America

Medical Association of the State of Alabama  
Arkansas Medical Society  
California Medical Association  
Colorado Medical Society  
Connecticut State Medical Society  
Medical Society of Delaware  
Florida Medical Association Inc

Medical Association of Georgia  
Hawaii Medical Association  
Idaho Medical Association  
Illinois State Medical Society  
Iowa Medical Society  
Kentucky Medical Association  
Louisiana State Medical Society  
Massachusetts Medical Society  
Michigan State Medical Society  
Minnesota Medical Association  
Mississippi State Medical Association  
Missouri State Medical Association  
Montana Medical Association  
Nebraska Medical Association  
Medical Society of New Jersey  
New Mexico Medical Society  
Medical Society of the State of New York  
North Dakota Medical Association  
Ohio State Medical Association  
Oklahoma State Medical Association  
Pennsylvania Medical Society  
South Dakota State Medical Association  
Tennessee Medical Association  
Texas Medical Association  
Medical Society of Virginia  
Washington State Medical Association  
Wisconsin Medical Society