

December 12, 2017

The Honorable Orrin Hatch
Chairman
Committee on Finance
104 Hart Senate Office Building
Washington, DC 20510

The Honorable Kevin Brady
Chairman
Committee on Ways & Means
1011 Longworth HOB
Washington, DC 20515

The Honorable Ron Wyden
Ranking Member
Committee on Finance
221 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Richard Neal
Ranking Member
Committee on Ways & Means
341 Cannon HOB
Washington, DC 20515

Dear Chairman Hatch, Ranking Member Wyden, Chairman Brady and Ranking Member Neal:

We are writing to ask that Congress urge the Centers for Medicare and Medicaid Services (CMS) to immediately suspend the impending cuts to the Clinical Laboratory Fee Schedule (CLFS) to preserve the function of governmental public health laboratories and public health activities that provide the common defense of the country against health threats. CMS erred in utilizing a deficient data collection process to establish new clinical laboratory payment rates, which resulted in incorrect and unsustainable rates that fall short of Congress' goal of establishing a market-based system. CMS should suspend implementation immediately until the data deficiencies are addressed in a comprehensive manner that is inclusive of the entire laboratory community.

Public health laboratories are state, county and city governmental entities that provide testing services for conditions and diseases of public health concern. Many public health laboratories are reimbursed through Medicare and Medicaid for diagnostic clinical laboratory tests. The CLFS determined at the national level serves as the basis for state-based fee schedules. For Medicaid laboratory fee schedules, some states employ a fee for service model that uses the CLFS payment ceiling for laboratory services, while others use the CLFS payment ceiling in a formula to determine the state allowable rates. The cuts to the CLFS will have a direct impact on state, county and city public health laboratories, crippling their ability to detect and respond to outbreaks of public health importance.

If public health laboratories cannot sustain testing due to the significant cuts to the CLFS, this will endanger the Nation's health by:

- Creating barriers for Medicaid populations to access infectious disease testing such as HIV, viral hepatitis, STD and TB testing, creating health inequalities across states and potentially perpetuating outbreaks
- Threatening the ability of public health laboratories to provide newborn screening, where approximately 97% of the babies born in the U.S. are screened for inherited disorders. When identified early in life and subsequent clinical intervention is available, many of these babies will live with better health outcomes
- Compromising the ability to fight emerging drug resistant pathogens like *C. difficile*, gonorrhea, and carbapenem resistant enterobacteriaceae

- Reducing access to blood lead level tests when laboratories cannot sustain testing after significant fee cuts
- Extending the length of foodborne outbreaks when laboratories cannot perform cultures to identify disease causing organisms
- Creating testing delays if small clinical laboratories are no longer able to sustain operations or choose to discontinue tests, further reducing the ability for public health laboratories to receive isolates for public health testing

Public health laboratories are an important network of laboratories working 24/7 to protect the Nation’s health. Disrupting testing services will have a massive impact on the ability to diagnose patients clinically, to the point where services may no longer be provided. Additionally, cuts to the CLFS will impact disease detection and prevention efforts because state and local health officials, epidemiologists, and maternal and child health programs rely upon laboratory data to inform state and local public health program and policy decisions.

The public health community asks Congress to take action to urge CMS to immediately suspend the implementation of the cuts to the CLFS to preserve the function of governmental public health laboratories and public health activities that provide the common defense of the country against health threats.

For additional information, please contact Peter Kyriacopoulos at the Association of Public Health Laboratories: 240-485-2766 or peter.kyriacopoulos@aphl.org

Sincerely,

Association of Public Health Laboratories
 Association of Maternal & Child Health Programs
 Association of State and Territorial Health Officials
 Council of State and Territorial Epidemiologists
 National Alliance of State & Territorial AIDS Directors
 National Association of County & City Health Officials
 National Coalition of STD Directors

