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MEDIA ADVISORY FOR IMMEDIATE RELEASE

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**ACLA URGES CONGRESS TO ACT ON MEDPAC OPTION
REGARDING PHYSICIAN SELF-REFERRAL**

Washington, DC – In response to the House Energy & Commerce Health Subcommittee hearing today on the Medicare Payment Advisory Commission's June 2010 Report to Congress: "Aligning Incentives in Medicare," the American Clinical Laboratory Association (ACLA) commented on MedPAC Chairman Glenn Hackbarth's testimony before the Subcommittee. Mr. Hackbarth's testimony included a discussion of the rapid growth in spending for services provided under the in-office ancillary services (IOAS) exception to current self-referral laws.

"The ACLA shares the concerns expressed by the Commission regarding the use of the IOAS exception in anatomic pathology and commends Subcommittee Chairman Frank Pallone and Ranking Member John Shimkus for calling attention to MedPAC's analysis and findings related to physician self-referral practices," stated Alan Mertz, President of ACLA.

"The Commission's examination of Medicare claims data revealed that fewer than half of clinical laboratory and pathology services are performed on the same day as an office visit, a finding that fails to substantiate the central premise for the exception—that the IOAS exception promotes access to care by providing these services during the patient visit," Mertz noted. "We believe that more in-depth analysis distinguishing between the date of specimen collection and actual performance of the test, which usually occurs at a later date, would result in an even lower percentage."

As proposed as an option for consideration by MedPAC, the ACLA strongly believes that the IOAS exception should be limited to those services that are used to assist the physician in treating the patient while he or she is in the office. Services that are not used for that purpose, such as anatomic pathology services, should not be covered under the exception.

"ACLA is encouraged by MedPAC's examination of the IOAS exception. We fully support legislative and regulatory efforts to ensure appropriate utilization of anatomic pathology services and, most importantly, to ensure that clinical decisions are based solely on the best interests of the patient. Clearly, the current system has inadvertently created incentives for increased volume at the expense of sound patient care," said Mertz.

The ACLA urges Congress and CMS to work together to address this and other practices that circumvent self-referral restrictions.

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The American Clinical Laboratory Association (ACLA) is a not-for-profit organization representing the leading independent providers of laboratory services in the United States. Its primary purpose is to advocate laws and regulations that recognize the essential role that laboratory services play in delivering cost-effective health care, encourage the highest standards of quality, service and ethical conduct among its members, and promote public awareness about the value of laboratory services in preventing illness, diagnosing disease, and monitoring medical treatment.