

FOR IMMEDIATE RELEASE
DATE JULY 31, 2009

LABORATORY SERVICES COALITION OPPOSES EFFORTS TO INCLUDE MEDICARE LABORATORY CO- PAY IN SENATE HEALTH CARE REFORM PACKAGE

WASHINGTON, D.C – The Clinical Laboratory Coalition (CLC), a coalition of organizations representing the many sectors of the clinical laboratory industry, today urged the Senate Finance Committee to oppose including a co-pay on laboratory services under Medicare. The 20% Medicare laboratory co-pay places an unacceptable financial burden on both beneficiaries and laboratories, forcing seniors to pick up the \$24 billion price tag and saddling laboratories with both a reimbursement cut and enormous administrative costs.

“This could be one of the largest beneficiary cuts since the beginning of the Medicare program” said Rick Panning, chair of the Government Affairs Committee of the American Society for Clinical Laboratory Science. “The fundamental goal should be reform, not shifting costs to senior citizens or adding costs to providers.”

This provision will also result in a significant administrative burden and is an inefficient way to save money. Labs will need to send a quarter of a million new bills out every day. In many cases, it will cost laboratories more to collect the bills than the co-pay itself.

“This will be a nightmare for both seniors and the labs that should be focusing on running tests, not running a mail room,” said Kathleen Claessens, Director of Federal Health Policy & Reimbursement at Roche Diagnostics Corporation. “Seniors on fixed incomes will be the hardest hit by this provision and could lose access to these critical services. With 70 percent of all medical decision-making being determined by lab test results, it is critical that these services are preserved for those who need them the most.”

Congress has previously rejected this idea both because it does not result in a change in utilization and because of the huge costs to collect these co-pays.

-- # # # --