



For Immediate Release
August 8, 2006

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ACLA QUESTIONS JANUARY 1, 2007 SELECTION DATE FOR COMPETITIVE BIDDING WINNERS

The American Clinical Laboratory Association (ACLA) has learned that the Centers for Medicare and Medicaid Services (CMS) intends to identify winning bidders for the Congressionally-mandated laboratory competitive bidding demonstration by January 1, 2007.

“Given that laboratories do not know the demonstration site, the details of the design of the demonstration or whether they will be required to bid, it’s unrealistic to think that they will be able to prepare and submit bids for virtually all tests on the clinical laboratory fee schedule, and that CMS will be able to evaluate the bids, determine the demonstration fee schedule, and select winning bidders, all by end of the year.” said Alan Mertz, president of ACLA.

“The Office of Management and Budget has not approved the bidding forms or demonstration design and won’t until sometime in September at the earliest. This has been a deliberative process for almost three years. It is unfortunate and unreasonable that the balance of the process will now be collapsed into a mere three months”, continues Mertz.

ACLA has been concerned from the outset that applying competitive bidding to clinical laboratory services could imperil the provision of quality laboratory services to Medicare beneficiaries. The delivery of high quality laboratory services is far more complex than the production and delivery of health care equipment or supplies, which are often standardized and interchangeable.

Recognizing that CMS was directed by Congress to undertake the demonstration, ACLA has tried to work with CMS to develop a program that meets its requirements and addresses the concerns of laboratories about the delivery of quality services. Nonetheless, laboratories continue to have questions about the details of the demonstration design and the bidding process. For example, will CMS inform bidders of the number of bidders it expects to select as winners for each competitive bidding area together with the volume of services for each test so that the bidders can prepare informed bids based on anticipated volume and market share?

ACLA urges CMS to provide sufficient time between the announcement of the demonstration site and publication of the demonstration design and bidding forms and the selection of winning bidders to ensure that the outcome is the fair demonstration of lab competitive bidding that all parties – Congress, CMS, ACLA members, and Medicare beneficiaries – are expecting.

ACLA represents local, regional and national clinical laboratories throughout the United States.

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