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**ACLA Lauds House for Passing “Tax Relief and Health Care” Legislation
– Urges Senate Passage**

The American Clinical Laboratory Association (ACLA) lauded the House of Representatives today for passing the “Tax Relief and Health Care Act of 2006” (HR 6111) which extends the ability of independent clinical laboratories to bill Medicare directly for the technical component (TC) of surgical pathology services provided to hospital patients through 2007. The statutory provision requiring the Centers for Medicare and Medicaid Services to permit such billing arrangements is scheduled to expire December 31, 2006. The bill also preempts an upcoming five percent reduction to the 2007 Medicare Physician Fee Schedule.

ACLA urges the Senate to pass HR 6111.

“ACLA, its member companies, and members of a coalition of hospitals and rural interests, lobbied hard for the TC extension,” said Alan Mertz, president of ACLA. “The legislation will allow independent laboratories to continue to perform these physician pathology services without increasing the costs or administrative burdens to the laboratories or the 850+ hospitals across the country which this provision would have impacted.”

The TC extension is among several ‘must do items’ that were passed by the House and need Senate approval. The extension, also known as the ‘grandfather’ provision, has prevented a CMS change in regulatory policy dating back to the 2000 Physician Fee Schedule Final Rule from taking effect.

Legislation was introduced both in the House and Senate calling for a permanent extension of the grandfather provision. The Physician Pathology Services Continuity Act of 2006, S 3609, was introduced in the Senate by Senators Blanche Lincoln (D-AR) and Craig Thomas (R-WY); identical legislation was introduced in the House by Representatives Kenny Hulshof (R-MO) and John Tanner (D-TN). In the coming year ACLA will once again urge Congress to pass a permanent extension of the grandfather provision.

ACLA is a Washington-based industry association represents the leading national, regional, and local laboratories.

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