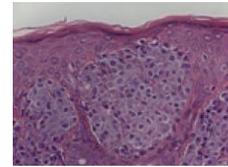
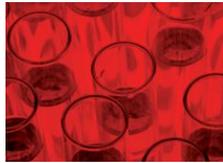


Coalition to Preserve Access to Cancer Diagnostic Services



Medicare Anatomical Pathology Coding Fix

IMPENDING REIMBURSEMENT CUTS

- **CMS reimburses anatomic pathology lab services through the Medicare Physician Fee Schedule (“MPFS”)**
- **In the FY 2013 MPFS Final Rule, released Nov. 1, 2012, CMS announced a 52% reduction to the technical component of anatomic pathology services**
- **This will result in a 33% reduction in reimbursement for CPT Code 88305 (Level IV – Surgical pathology, gross and microscopic examination) for**
 - free-standing anatomic pathology laboratories
 - pathologists
 - Physician specialists who provide the service directly to their patients – dermatologists, gastroenterologists, urologists, surgeons and others

CUTS STEM FROM CMS DECISIONS

- **The reduction stems from CMS**
 - **Reducing reimbursable amount of xylene solvent**
 - **Depending on flawed assumptions regarding the number of blocks used each time a pathology service is reported**
 - **Rejecting the inclusion the costs of equipment maintenance and specialized software**
 - **Allocating disposal and courier transportation costs to indirect practice expenses**

IMPACT ON CANCER DIAGNOSIS & TREATMENT

- **The work of anatomic pathology labs is foundational to modern oncology treatment, as they.**
 - **Process tissue samples (e.g., biopsies) and cytology samples (cell smears) in accredited laboratories.**
 - **Provide physicians with accurate and timely diagnostic, prognostic, and therapeutic information that enable the early identification of cancer, saves lives and improves clinical outcomes.**
- **The reduction affects the potential treatment for the top diagnoses associated with CPT Code 88305**
 - **Skin cancers and melanoma**
 - **Prostate cancer**
 - **Colorectal and esophageal cancers**

THREAT TO CARE IN RURAL AREAS

- **Hospitals contract with a pathologist to serve as the medical director for their pathology laboratory.**
- **In rural areas, many hospitals might need to contract with a single pathologist**
- **This addresses a need in areas where attracting highly qualified health care professionals can be problematic.**
- **This hinges upon equitable reimbursement to the lab for the technical component of services.**
- **Given the reimbursement cuts, anatomic pathology services may not be available in rural areas and patient access will be hindered.**
 - **Surgeries will be cancelled**
 - **Patient care will be delayed or not provided**
 - **Patients will be need to travel great distances for treatment**

ADDITIONAL IMPACTS

- **Small businesses**
 - **Local labs are small businesses and employers**
 - **Unlikely to survive cuts of this magnitude during a time when economic recovery is being sought**
 - **CMS did not consider the impact on small businesses**
- **Pressure on providers**
 - **This 2013 reduction will be in addition to the 28% cut in physician reimbursement from the SGR**
 - **On top of a previous 15% cut in pathology reimbursement**
 - **CMS finalizing the termination of direct technical component billing for lab services provided as a part of hospital inpatient and outpatient services**

TARGETED RESOLUTION

- **Administrative Proposal 1** – CMS issues a technical correction to minimize 88305 reduction by reclassifying key pathology cost inputs
- **Administrative Proposal 2** – CMS issues technical correction to phase-in 88305 reduction over two-year period
- **Congressional Proposal 1** – Elimination of 88305 reduction

STRATEGIC ACTIONS FOR THE COALITION

- **Coalition Comment letter on the FY 2013 MPFS Final Rule to CMS to be sent no later than December 31, 2012**
- **A December meeting of Coalition members with the CMS Division of Outpatient Care**
- **Education of relevant Members of Congress**
- **Request Congressional letters in support of the coalition's solutions be sent to CMS**
- **Lobby for legislative fix to minimize the proposed 88305 reduction**

COALITION INFORMATION

- **The Coalition to Preserve Access to Cancer Diagnostic Services is a growing alliance of laboratories, physicians, specialty societies, and patient advocacy organizations**
- **Additional members are needed to co-sign a CMS comment letter (under development) and join a December meeting with CMS officials (to be scheduled)**
- **We are supported by a legislative and regulatory advocacy team from National Health Advisors in Washington, DC. (www.nationalhealthadvisors.com)**

COALITION INFORMATION

- **Prospective coalition members may join or direct questions to**
 - **Julia Loyd**, National Health Advisors
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