

Dear Colleagues:

On July 15, Congress voted to override President Bush's veto of H.R. 6331, *The Medicare Improvements for Patients and Providers Act of 2008*, enabling the legislation to become law.

The legislation 1) repeals the authority of the Centers for Medicare & Medicaid Services (CMS) to conduct a Medicare Competitive Bidding Demonstration Project for Clinical Laboratory Services and 2) extends a moratorium that will allow independent laboratories to continue billing hospitals for the technical component of physician pathology services furnished to hospital patients.

The ASM Public and Scientific Affairs Board has been tracking the implementation of the clinical laboratory demonstration program and alerted its clinical members throughout the various phases of the project, including an announcement of the first demonstration site (San Diego, CA) last fall.

PSAB has sent legislative alerts and updates to encourage ASM members to ask their Congressional members to support legislation to repeal the competitive bidding demonstration program. ASM staff joined other organizations in meetings with Congressional staff to inform and educate Congress about the reasons to repeal the demonstration program.

The ASM also joined other professional societies and laboratory organizations in support of a legal case involving three Southern California laboratories against the U.S. Department of Health and Human Services (HHS) regarding the potential impact of the demonstration project on the Medicare population and clinical laboratories; the case resulted in a temporary injunction placed on HHS prohibiting CMS from announcing laboratory bid "winners" and from further carrying out the demonstration in the San Diego area. However, Congressional action was necessary to completely repeal CMS's statutory authority for fully implementing the demonstration project. Subsection 145 (a) of H.R. 6331, enacted on July 15, repeals the Medicare Competitive Bidding Demonstration Project for Clinical Laboratory Services in San Diego and any other future location by striking subsection (e) of section 1847 of the Social Security Act (42 U.S.C. 1395w-3). This action is effective immediately.

We wish to thank ASM members who took the time to write their Congressional delegation in support of the repeal legislation.

Sincerely,

Vickie Baselski, Ph.D., Chair, PSAB Committee on Professional Affairs
Susan Sharp, Ph.D., Chair, PSAB Committee on Laboratory Practices
Ruth Berkelman, M.D., Chair, Public and Scientific Affairs Board