



National Society for Histotechnology
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November 8, 2019

Gail K. Boudreaux, President and Chief Executive Officer
Anthem Blue Cross and Blue Shield, Inc.
120 Monument Circle
Indianapolis, IN 46204

Dear Ms. Boudreaux:

On behalf of the National Society for Histotechnology and its members, I am writing to urge Anthem Blue Cross Blue Shield to reverse its plans to reduce payment rates for pathology and laboratory medicine services as outlined in Anthem Blue Cross and Blue Shield's recent amendment to its agreement(s), effective September 1, 2019. Anthem's cuts have caused considerable angst within national and state pathology and laboratory organizations as well as national, regional and local pathology practices and anatomical pathology laboratories. These cuts will have an adverse financial impact on pathology and laboratory medicine communities and will result in reduced access to patient care. Moreover, declining laboratory and professional Anthem Plan participation will cause reduced patient access to in-network services.

Anthem Blue Cross and Blue Shield's announced rates for many high-volume pathology and anatomic pathology laboratory services are *extraordinarily low* in comparison to the 2018 Medicare published payment amounts. As reported in the October issue of *Laboratory Economics*, Anthem's reimbursement for 88305-26 was \$66. Between November 2018 and July 2019, the rate was reduced to \$14, almost an 80% reduction. Medicare's rate of \$39.64 is almost three times as much as the initial reimbursement cut. The new rate of \$34 is still lower than Medicare's published rate.

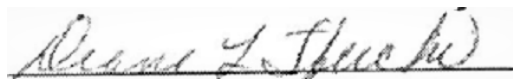
It is our understanding that the rate concessions made in Missouri followed wide-spread criticism from Missouri pathologists, the College of American Pathologists, and the American Society for Clinical Pathology. According to *Laboratory Economics* October 2019 issue, pathologists in Ohio are terminating their contracts en masse with Anthem in response to the rate cuts. The publication also reports that Anthem has twice delayed the effective date for its new rates in Ohio, now set to go into effect December 1, 2019. There has also been strong push back in Virginia with the ultimate outcome being that smaller pathology groups are being encouraged to send their pathology specimens to larger contracted labs in Virginia, which increases the amount of time to diagnosis, further limits care in rural areas of the state, and ultimately hurts patients.

Laboratory testing plays a significant role in quality patient care. It provides physicians and patients with essential information necessary to diagnose disease, treat the illness, and monitor the results. Technological advancements and innovation have greatly expanded the scope, quality, and complexity of laboratory services, providing quantifiable benefits to patients and healthcare. These innovations have helped to establish personalized medicine

as the standard of care, enabling scientists and providers to detect disease at earlier stages, to identify a person's susceptibility to disease before symptoms arise, and to predict which treatments will optimize outcomes, all through the use of gene-based and molecular diagnostic laboratory tests. However, cuts such as those proposed by Anthem Blue Cross Blue Shield adversely affect the implementation pace of technological innovations by limiting laboratories' ability to take on new clinical diagnostic tests and the capacity to employ appropriate technical staff. The proposed reimbursement hardly covers the current ability to maintain services.

Based on the significant negative impact the rate cuts will have on anatomic pathology laboratories, the medical community and the patients they serve, NSH strongly urges Anthem to reverse and cease the implementation of the reduction of reimbursement for all laboratory services. NSH looks forward to hearing from you about our concerns. Please do not hesitate to contact me or Sharon Kneebone, NSH Executive Director at: sharon@nsh.org, (443-535-4062).

Sincerely,



Diane L. Sterchi, BS, MBA, HT(ASCP), HTL (ASPC)
President

cc: Gene Siegal, MD, PhD, FASACP
President, ASCP

Samuel J. Marchio
Regional Vice President, Federal Affairs
Head of Congressional Affairs, Anthem

The National Society for Histotechnology (NSH) is a non-profit member organization comprised of over 3,000 members, which supports histotechnicians and histotechnologists through education, collaboration and innovation. NSH is the leading provider of histotechnology education designed to demonstrate continuing competence in an increasingly complex laboratory testing environment.