



COLLEGE of AMERICAN PATHOLOGISTS

April 19, 2015

Honorable Governor Bill Haslam
1st Floor, State Capitol
Nashville, TN 37243

Re: *Urging Enactment of House Bill 1100 (Representative Hill)/ Senate Bill 851 (Senator Overbey) -Requirement for ACO Clinical Laboratory Advisory Board*

Dear Governor Haslam:

I am writing to request your enactment of **House Bill 1100/ Senate Bill 851** on behalf of the College of American Pathologists (CAP) and the Tennessee Society of Pathologists (TSP). The CAP is a national medical specialty society representing nearly 18,000 physicians who practice laboratory medicine and anatomic pathology in community hospitals, independent clinical laboratories, academic medical centers and federal and state health facilities. The TSP is a state medical society representing many practicing pathologists in Tennessee.

CAP believes that every Accountable Care Organization (ACO) will need to effectively use clinical laboratory/pathology tests to achieve their public policy mandate for control of healthcare costs and improvement of patient outcomes. Clinical laboratory tests now drive more than 70% of medical decision-making. Furthermore, advances in genomic medicine and predictive diagnostic technology will increase the critical use of laboratory testing to enhance patient outcomes, especially for those patients with cancer. In addition, clinical laboratory test results are needed by the ACO to monitor and measure treatment efficacy and patient population health status. Given these factors, the role of the clinical laboratory is fundamental to the ACO mission. The legislation (HB 1100/ SB 851) should be enacted for the following reasons:

- 1) The very purpose of ACOs is coordination of patient care across a spectrum of medical specialties, thus a state mandated physician advisory process to develop any guidelines or protocols for clinical laboratory/pathology services promotes the ACOs' objectives.
- 2) Patients benefit because the mandated Advisory Board will help to ensure ACOs do not *improperly* reduce or limit pathology services, including complex genomic testing, when medically necessary for optimal patient care.
- 3) Physicians with expertise in clinical laboratory testing (i.e. pathologist medical directors of clinical laboratories) add value to the advisory process and should have a requisite role in the development of guidelines or protocols for use of clinical laboratory/pathology testing, thus ensuring that appropriate and cost effective pathology services are selected for the ACO and its patients.

At Vanderbilt University Medical Center the use of similar diagnostic management teams is considered best practice, as is the case at other premier medical institutions such as Geisinger and Mayo, which also utilize these management teams or Clinical Laboratory Advisory Boards. These integrated health care delivery systems were the inspiration for development of the ACO practice



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model as established under the Affordable Care Act. In addition, these Boards have been used by hospitals and other ACOs around the nation. Accordingly, this legislation is designed to promote clinical collaboration among physicians, including the physician laboratory director, when developing protocols or algorithms for pathology/laboratory utilization.

The disparity between the acknowledged importance of pathology/laboratory services to the ACO and the actual participation rates of laboratory physician leaders in ACOs is due to many factors. Such factors include historical practice trends in laboratory/pathology medicine and ACO public policy driven imperatives in reducing costs, without commensurate public policy to ensure full benefit of physician judgment in decisions regarding these services.

This legislation will ameliorate this problem by promoting best medical practice and facilitating pathologist clinical integration into decision-making for ACO laboratory/pathology utilization. **This integration will help ensure that Tennessee patients in ACOs receive high quality pathology and laboratory services without the potential for improper curbs in access and utilization.** Please also note that substantively similar laws for which we advocated were enacted in both Massachusetts and in Illinois.

For these aforementioned reasons, the Association of Pathology Chairs and the Association for Molecular Pathology have all endorsed the legislation, as have the following national patient advocacy groups:

- The Leukemia and Lymphoma Society
- The National Brain Tumor Society
- The Lung Cancer Alliance
- The American Society of Breast Disease.

Accordingly, we urge your support for House Bill 1100/ Senate Bill 851.

Sincerely,

Richard C. Friedberg, MD, PhD, FCAP
President

cc: Dwight Tarwater, Legal Counsel, Office of the Governor, (dwight.tarwater@tn.gov)
Pamela Bullock, MD, FCAP, President, Tennessee Society of Pathologists