



# COLLEGE of AMERICAN PATHOLOGISTS

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January 13, 2015

Honorable Chris Christie  
Office of the Governor  
PO Box 001  
Trenton, NJ 08625  
609-292-6000

**Re: *Urging Enactment of Assembly Bill 431/ Senate Bill 2773 (Requirement for ACO Clinical Laboratory Utilization Board)***

Dear Governor Christie:

I am writing to request your enactment of **Assembly Bill 431/ Senate Bill 2773** on behalf of the College of American Pathologists (CAP) and the New Jersey Society of Pathologists (NJSP). 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 NJSP is a state medical society representing many practicing pathologists in the state.

CAP believes that every Accountable Care Organization (ACO) will need to effectively use clinical laboratory/pathology tests to achieve their public policy mandate in 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 (AB 431) 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.

According to a 2014 national survey, only **11.7 %** of laboratories in ACOs have been able to engage in value initiatives with ACO leadership. Moreover, according to the same survey, **20.8%** of laboratories in an ACO have **never been involved** in ACO operational discussions. This inability to fully integrate clinical laboratory physicians into ACO decision-making has potential to impair quality within the ACO operational structure.



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The survey also found that approximately 80% of ACO executives believed that laboratory services have some/significant impact upon the success of the ACO. 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 a best medical practice and facilitating pathologist clinical integration into decision-making for ACO laboratory/pathology utilization. **This integration will help ensure that New Jersey patients receive high quality pathology and laboratory services without the potential for improper curbs in access and utilization.** Please also note that substantively similar laws, that we advocated, were enacted in both Massachusetts and in Illinois.

For these aforementioned reasons, the Medical Society of New Jersey, 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 Assembly Bill 431/Senate Bill 2773.

Sincerely,

Richard C. Friedberg, MD, PhD, FCAP  
President

cc: James DiGiulio, Esq.  
Senior Counsel, Office of the Governor