



March 2, 2026

The Honorable Abigail Spanberger
Office of the Governor
1111 East Broad Street
Richmond, Virginia 23219

Re: Urging Enactment of Senate Bill 745 (Legislation to prohibit in-network steering of pathology/laboratory services by Health Insurance Plans)

Dear Governor Spanberger:

On behalf of the College of American Pathologists (CAP), I am writing to urge your enactment of Senate Bill 745. This legislation, and its companion bill House Bill 424, unanimously passed the Virginia legislature and every committee in both chambers.

This legislation is necessary to protect Virginia patients from adverse health insurance company business practices, in the form of in-network steering of pathology and laboratory services, that disrupts the optimal coordination of care and creates delays in pathology/laboratory diagnosis and thereby delays treatment.

Under this restrictive insurance business practice, patients and their ordering physicians cannot receive the diagnostic services of in-network pathologists or laboratories within their local community, at the hospital where they may be out-patient, or from the laboratory/pathologist referral choice of their community-based physician, including dermatologists, gastroenterologists, urologists, surgeons, and oncologists.

Under the administrative decree of health insurance plans regulated by the State Of Virginia, specimen and patient referrals must be sent to one or two designated commercial laboratories, with some diagnostic services being performed out-of-state. This business practice of funneling pathology/laboratory referrals undermines the optimal practice of medicine and can harm Virginia patients without their knowledge.

As noted by the American Medical Association (AMA), state legislation is needed: “to expressly prohibit in-network steering by health insurance plans, or by laboratory benefit managers under contract with such plans, to ‘preferred’ or ‘designated’ in-network laboratories or pathologists, thereby excluding other in-network pathology and laboratory providers.” These business practices by health insurance plans in Virginia have degraded coordination in care, undermined quality, including delayed turn-around time on urgent pathology cases, and resulted in patient harm. In Virginia, CAP engaged with Anthem HealthKeepers Insurance on this issue beginning in 2023, writing:

“The impact Anthem requirements have on patient care are most concerning. Unnecessary referral can also adversely affect appropriate response to acute developments in a patient’s care, and possibly cause significant delay in diagnosis. For patients who live further away from the health system/hospital, returning to receive care after the results have been returned may be difficult and more likely to result in delayed care and poorer health outcomes. Additionally, some conditions may require rapid evaluation and treatment – not always possible when sending samples to outside laboratories – in order to prevent serious, even life-threatening complications. Requiring patient samples to be sent outside



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the health system also decreases quality of care by preventing participation of the pathologist who is part of the multidisciplinary team..."¹

After engaging in good faith with Anthem Health Keepers, their insurance business practices of in-network steering continued with denial of referrals to in-network pathologists and clinical laboratories. Throughout 2024 and 2025, CAP communicated our serious clinical concerns to the State oversight agencies in Virginia (Department of Health, Bureau of Insurance, and Division of Medical Assistance Services). These agencies, under the prior administration, respectively advised that the in-network pathology/laboratory steering activities of health insurance plans were legally permissible under current Virginia law.

As a result, patients enrolled in these plans have continued to experience disruption in their medical care and have been unknowingly subject to diagnostic impediments and encumbrances in the optimal provision of pathology services which has, in certain cases, led to adverse medical outcomes. Both CAP and Virginia pathologists have consistently raised medical concerns regarding the unfettered insurance industry steering practices across the state and previously availed administrative options to rectify such concerns without remedy. Therefore, we urge your enactment of SB 745 on behalf of our patients in the Commonwealth. Thank you for your consideration of our request.

Sincerely,

Qihui "Jim" Zhai, MD, FCAP
President, College of American Pathologists

cc: Ralston King, RivCo Government Affairs LLC
Clark Barrineau, Vice President of Government Affairs and Public Policy,
Medical Society of Virginia

¹ Correspondence to Leah Timmerman, Staff Vice President, Anthem BCBS, from Joe Saad, MD, FCAP, CAP, October 25, 2023