



COLLEGE of AMERICAN PATHOLOGISTS

September 18, 2019

Leah Timmerman
Staff Vice President, Provider Solutions
Anthem, Inc.

Dear Ms. Timmerman:

As we expressed on our August 28th call and in our July 16th letter, the College of American Pathologists (CAP) has serious concerns with changes that threaten the financial viability of pathology practices and the ability for pathologists to provide care to patients. Especially for many smaller or rural laboratories and pathology practices, we believe Anthem's fee schedule changes create such a scenario – the "market standard" described by Anthem may benefit a select few laboratories, but is simply not sustainable for many pathology practices.

While the CAP understands from our call that Anthem is attempting to provide consistency for its members, we continue to believe that doing so in a way that limits access to care is not the right approach. As was stated on the recent call, Anthem undertook efforts to review its fee schedule and rebalance rates, looking at local market dynamics and closely considering different practice settings. We continue to have questions about the calculation of the new rates, but importantly, strongly believe Anthem's expressed effort is not reflected in the blanket rate cuts that in many instances lower reimbursement below the cost to provide the services. As we explained on the call, in addition to ensuring that patients receive the right test at the right time with an accurate diagnosis, pathologists coordinate with and educate clinicians, utilize electronic health records, and stay abreast of the most recent advances in diagnostics. To not meaningfully take into consideration the range of activities within pathology services and the variation of associated costs and resources across different settings, including hospital-based pathologists, will limit the ability for patients to continue to receive these important diagnostic services.

Further, in addition to limiting access to care, the significant change implemented by Anthem will have added downstream costs and increased quality issues for both Anthem and its members. The influence of pathology services on clinical decision-making is extensive and the infrastructure and foundation for appropriate care it provides are critical to the treatment of patients. Hindering access to high-quality pathology services can negatively affect a patient's diagnosis, treatment, and outcome, all of which can translate to increased costs and decreased patient satisfaction down the road.



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As we stated on our recent call, the CAP urges Anthem to reverse its changes to fee schedules that dramatically reduce payment rates for pathology and laboratory services. Further, the CAP requests that Anthem analyze and determine the impact that this decision will have on the ability for patients to continue to receive diagnostic services.

Sincerely,

Donald Karcher, MD, FCAP
Chair, Council on Government and Professional Affairs
College of American Pathologists

CC: Samuel J. Marchio
Alison Armstrong