



Issue: Medicare Cuts to Pathology Services

CAP Position: The CAP requests that Congress extend the relief provided in the Consolidated Appropriations Act of 2021 to mitigate the impact of the Centers for Medicare and Medicaid Services (CMS) 2022 payment reductions to all non-evaluation and management (E/M) services. Without continued relief, pathologists will see their payment cut increase to 6% in all pathology services to help fund increases in payment for E/M services. This is on top of other economic shifts adversely affecting pathology practices related to major financial dislocations because of the pandemic.

Background: Pathologists are physicians who specialize in the diagnosis of disease. The expertise they provide drives treatment decisions that optimize outcomes for patients. They play an integral role in the diagnosis of diseases such as cancer (breast, prostate, cervical, leukemia, kidney), hepatitis, cirrhosis, and the novel coronavirus (COVID-19). Indeed, the current pandemic has brought to the forefront the vital role of pathologists and the value that they bring to medicine. Pathologists are integrally involved in direct mitigation of the COVID-19 crisis including testing for accurate and timely diagnosis, as well as work on potential cures.

The changes to E/M codes, finalized in November 2019 and mitigated by Congressional action in 2020, will have a significant impact on pathology. The CAP supports reimbursement increases for primary care. However, because of the fee schedule's budget neutrality requirement, the 2021 implementation of the CMS' E/M office visit changes will penalize many physicians who do not bill for E/M services, including pathologists. As a result, pathologists and other hospital-based physicians will experience large payment reductions to offset the costs to those physicians who deliver more office visit-based services (e.g. endocrinologists, rheumatologists, and family practitioners).

The pandemic is not over. The pressures faced by pathologists and the rest of the laboratory workforce during the pandemic have not receded. As a result of the public health crisis, many pathologists are seeing an increase in staff burnout and continued financial losses, which threatens the viability of practices and ability to deliver optimal health care to patients. Caseloads have dropped, the laboratory workforce has been reduced, and pathologists have had to purchase multiple expensive COVID-19 testing platforms, in part because of testing supply chain issues. Further, despite the development of much needed vaccines, several more contagious strains of COVID-19 are spreading rapidly, including in the United States. Testing and analysis by pathologists is imperative to arresting the spread of the disease and its variants.

While Congress has made incredible investments in testing, vaccines, and economic support to physicians and their patients to address the impact of the pandemic, the instability caused by the pandemic remains and is likely to for several years. Now more than ever patients and their treating physicians are relying on the expertise of pathologists. Pathologists and the services they provide, including ensuring laboratory quality in communities across the United States, are at the foundation of our health care system. Now is not the time to erode that foundation.

Therefore, we urge Congress to extend the relief provided in the Consolidated Appropriations Act of 2021 for 2022. Specifically, we ask that Congress appropriate an additional \$3 billion to mitigate the impact of the 6% cut to pathology services beginning in 2022 and maintain the 3-year moratorium on the G2211 code. This much-needed action by Congress will provide stability to pathologists and their patients at this critical time.