



# COLLEGE of AMERICAN PATHOLOGISTS

---

February 28, 2018

Honorable Kate Brown  
Office of the Governor  
900 Court Street NE, Suite 254  
Salem, OR 97301-4047

Via email (sadie.l.ogan@oregon.gov)

Re: Request for Veto Senate Bill 1549

Dear Governor Brown:

On behalf of the College of American Pathologists (CAP) and the Oregon Pathologists Association (OPA), I am writing to urge your veto of Senate Bill 1549. The CAP is a national medical specialty society representing approximately 17,000 physicians who practice laboratory medicine and anatomic pathology in community hospitals, independent clinical laboratories, academic medical centers and federal and state health facilities. The OPA is a state medical society representing many practicing pathologists in the state.

Both CAP and OPA believe the out-of-network payment mechanism in Senate Bill 1549 is largely skewed to benefit the health insurance industry and not the patients we serve. For pathology services the payment obligation placed upon the health insurance industry, which under Senate Bill 1549 is established as the "median" of the in-network rate, excluding the patient's financial responsibility, will translate into many pathology services codes receiving less than 100% of Medicare payment, and for some services as low as 75% of Medicare.

Quite simply, should this bill be enacted, insurance industry payment for many physician services, including pathology will be among the lowest in the nation. This legislation financially favors the insurance industry and is not a balanced formula for physician payment. Furthermore, we believe this bill will have the unintended consequence of inducing health insurance payers to remove from their health plan networks those physicians that have contracted for services above the payment median, thereby further eroding payments to physicians and, in general, the Oregon health care delivery system.

It is our belief that as a consequence of this legislation, patients in Oregon may not have access to certain out-of-network services in diagnostic pathology that may not be economical to provide under Senate Bill 1549. In general, this legislation undermines the health care delivery system for the financial benefit of the health insurance industry.

Accordingly, for these many reasons, we urge your VETO of Senate Bill 1549. Thank you for your courtesies and consideration of our comments.

Sincerely,

R. Bruce Williams, MD, FCAP  
President