



COLLEGE of AMERICAN PATHOLOGISTS

September 30, 2021

The Honorable Chuck Schumer
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, DC 20510

The Honorable Ron Wyden
Chairman, Senate Finance Committee
U.S. Senate
Washington, DC 20510

The Honorable Mike Crapo
Ranking Member, Senate Finance Committee
U.S. Senate
Washington, DC 20510

The Honorable Patty Murray
Chairman, Health, Education, Labor, and
Pensions Committee
U.S. Senate
Washington, DC 20510

The Honorable Richard Burr
Ranking Member, Health, Education, Labor
and Pensions Committee
U.S. Senate
Washington, DC 20510

Dear Leader Schumer, Minority Leader McConnell, Chairman Wyden, Chairwoman Murray,
Ranking Member Crapo and Ranking Member Burr:

The College of American Pathologists (CAP) appreciates the opportunity to provide input on the budget reconciliation package that is being drafted in the Senate. The CAP is the world's largest organization of board-certified pathologists and the leading provider of laboratory accreditation and proficiency testing programs. The CAP serves patients, pathologists, and the public by fostering and advocating excellence in the practice of pathology and laboratory medicine worldwide. Further, pathologists are on the frontline of the current COVID-19 crisis, responsible for developing and selecting new test methodologies, validating, and approving tests for patient use, and expanding the testing capabilities of the communities they serve to meet emergent needs. Now more than ever, patients and their treating physicians rely on the expertise of pathologists and the availability of appropriate laboratory testing.

The pandemic revealed some weaknesses in our health care system. We appreciate the opportunity to work with Congress to address these shortcomings. Specifically, the CAP supports a pluralistic system that increases access to care and stabilizes the health care system. As you work on addressing health care issues in the reconciliation package, we offer comment on provisions we believe will improve the lives of Americans across the country by expanding access to health care coverage and improving access to high-quality care.

Strengthening and Expanding Access to Health Care Coverage

The CAP supports continued efforts to improve access to meaningful health insurance coverage and lower health care costs for patients. The record enrollment in Affordable Care Act (ACA) coverage, via coverage offered on ACA marketplaces and under the Medicaid expansion, as well as through the Special Open Enrollment Period that recently ended, is proof that these improvements should be made permanent. The CAP supports the proposals in the House reconciliation bill that address and expand coverage for low-income populations in the form of cost-sharing and subsidies. While the American Rescue Plan Act included important

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improvements to the ACA that increased access to affordable health insurance, the CAP supports making these ACA improvements permanent, including expansion of marketplace subsidies so more people can qualify (eliminating the “subsidy cliff”) and increasing subsidies for those with lower income. We believe more work needs to be done to cover the uninsured and improve health insurance affordability. The CAP looks forward to continuing this conversation with Congress. For example, the CAP encourages Congress to fix the “family glitch” and explore an auto-enrollment at the state and federal level for individuals who qualify for zero-premium marketplace coverage.

Medicaid Expansion

The CAP is committed to ensuring patients get the right test, at the right time so they get an accurate diagnosis and receive the right care regardless of their socio-economic status or geographic location in the country. Expanding Medicaid coverage is essential because people without health insurance are more likely to delay seeking needed medical care, including diagnostic testing, and screening services. Access to preventative care, cancer and other screening services, as well as treatment for chronic illnesses and mental health disorders are essential for communities of color and other underserved populations. For example, people of color who are diagnosed with lung cancer face worse health outcomes compared to white Americans because they are less likely to be diagnosed early, less likely to receive surgical treatment, and more likely to not receive any treatment.

As you know, Medicaid enrollment increased dramatically because of the COVID-19 public health emergency but there are still millions of uninsured individuals currently eligible for Medicaid, and approximately two million more individuals that would be eligible except that they live in states that have declined to adopt the ACA’s Medicaid expansion (and thus fall in the “Medicaid gap”). The CAP believes that expanding Medicaid coverage and closing the Medicaid gap is an essential component in ensuring health care coverage for low-income patients to combat health care inequalities and disparities in the United States. Language included in the House package proposes the creation of a federal Medicaid program to provide coverage for individuals who reside in states that have not expanded Medicaid. While the CAP respects the rights of states to make the decision not to expand Medicaid coverage, in the absence of state action, the CAP can support the creation of a federal program to close the Medicaid Gap in these states. The CAP believes any federal program should provide for reasonable cost-sharing that offers essential benefits, beneficiary protections, and access to care standards that are at least consistent with or equivalent to current law. Further, the CAP believes the Congress should require that Medicaid payment rates be raised to at least Medicare levels as a means of increasing physician participation in the Medicaid program and providing robust access to high-quality specialty care for Medicaid patients.

The CAP also supports proposals to expand Medicaid coverage by providing both premium tax credits that would pay for coverage plans offered in ACA marketplaces and enhanced cost-sharing assistance for out-of-pocket expenses. Additionally, as you work on Medicaid changes, Congress should also consider mechanisms to expand coverage to those already eligible for Medicaid through proposals like auto-enrollment as well as increased outreach/education and simplified enrollment.



Strengthening Our Public Health System

The CAP supports efforts to strengthen our public health system. The pandemic highlighted the critical need for greater support and infrastructure investment in key areas of public health and preparedness. There are several proposals in legislation on the House side we believe should be kept or even expand. The \$7 billion to support public health infrastructure activities is a strong step in shoring up the public health system. Important issues include workforce capacity and competency, health information technology, and disease surveillance. We also stress the need for these funds to help improve laboratory systems and testing capacity (including test platforms and personnel). Further, to address public health in communities in need, we support the \$10 billion in funding for grants for modernization projects to increase capacity and update hospitals as well as other medical facilities.

National Testing and Response Strategy for Current and Future Pandemics

In addition to ensuring access to affordable health care coverage during public health emergencies and beyond, we must improve our nation's surveillance and testing capabilities to support the U.S. response to this and future pandemics. The supply chain has been fragile throughout the COVID-19 pandemic, and the current pressures resulting from the Delta surge demonstrate the ongoing nature of these issues. We applaud the House bill's inclusion of \$10 billion for critical manufacturing supply chain resilience. The funds in this provision will help mitigate future supply chain issues so health care professionals can do their jobs properly. It will help with supply chain mapping and monitoring; establishing voluntary standards, guidelines, and best practices; as well as identifying and accelerating technological advances.

There are additional funding measures in the House proposal that the CAP supports:

- \$5 billion for renovation, expansion, and modernization of state and local public health laboratory infrastructure; renovating, expanding, and modernizing laboratories of CDC
- \$1.25 billion to strengthen vaccine confidence; strengthen routinely recommended vaccine programs; and improve rates of vaccination
- \$1.25 billion to enhance and strengthen early warning and detection systems
- \$500 million to support public health data surveillance, aggregation, and analytics infrastructure modernization initiatives; enhance reporting and workforce core competencies and expand and maintain efforts to modernize the disease warning system
- \$8 billion to prepare for, and respond to, public health emergencies, including shoring up the Strategic National Stockpile, strengthening our supply chains, supporting domestic and global manufacturing of vaccines, bolstering biosecurity, and investing in therapeutics, among other activities

These funds will be critically important, but we also hope for a comprehensive strategy that includes testing supplies such as test kits, pipette tips, specimen acquisition swabs, and transport media. A comprehensive strategy should also allow for regulatory flexibility (for example the quick deployment of the emergency use of laboratory-developed tests), appropriate pricing, coverage for diagnostic testing, and funds to support testing services including laboratory frontline providers. In addition, appropriate processes and reporting



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infrastructure should be in place to ensure that patients have timely access to diagnostic testing. Laboratories must have the resources and the support they need for testing. While the Food and Drug Administration (FDA) and the Centers for Medicare and Medicaid Services (CMS) have made improvements in this area, initial delays and shortcomings continue to affect the prevalence of testing in the United States.

Address Health Care Inequities and Disparities

The CAP supports efforts to improve health equity and to decrease health care disparities. To increase our understanding of the drivers of health care inequities, the CAP supports federal initiatives to study the causes underlying health inequities and disparities through expanded research into the social determinants of health (SDOH). Therefore, the CAP supports funding to address social determinants of maternal health for pregnant and postpartum individuals, grants to local entities that focus on social determinants of maternal health, which looks for racial disparities in maternal health outcomes, and grants to minority-serving institutions to study maternal mortality and adverse maternal health outcomes. Finally, the CAP is committed to racial equity and anti-discrimination in the medical education and training and, therefore, supports grant funding for anti-discrimination and bias training in medical schools and training programs.

Provisions that Should Be Added to Budget Reconciliation Bill:

Mitigate Pending Medicare Cuts

The changes to the Evaluation and Management (E/M) codes, finalized in November 2019 continue to significantly impact pathology. The CAP requests that Congress extend the 3.75% relief provided in the Consolidated Appropriations Act of 2021 to further mitigate the impact of the CMS payment reductions to all pathology physician fee schedule services scheduled to take effect in 2022. Without continued relief, pathologists face an additional payment cut of 5% in 2022, on top of the 2.25% cut they received in 2021. These cuts are in addition to other economic shifts adversely affecting pathology practices, including logistical dislocations because of the pandemic, sequester, and PAYGO. The services provided by pathologists are at the foundation of our health care system and now is not the time to erode that foundation. If relief is not granted, there will be decreased access to specialist services exacerbating health care disparities that already exist. This decrease in access to care will be disproportionately felt by our most vulnerable patients, the economically disadvantaged and minorities.

Addressing Physician Shortages

The United States is facing a shortage of up to 124,000 physicians by 2034. This is on top of the ongoing issues referenced above for patients in underserved communities in both rural and urban areas. The additional 1,000 Medicare-supported GME positions in the Consolidated Appropriations Act of 2020 was only a down payment for a much larger need. To meet our future needs, there must be a larger investment in physician training. We hope you will consider adding the Resident Physician Shortage Reduction Act of 2021 (S. 834/H.R. 2256) into the reconciliation package. The legislation creates a sensible approach to the physician shortage by gradually providing 14,000 new Medicare-supported GME positions. These



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positions would be targeted at hospitals with diverse needs, rural teaching hospitals, hospitals currently training over their Medicare caps, hospitals in states with new medical schools, and hospitals serving patients in health professional shortage areas.

Summary

We appreciate being able to share policy changes that we believe will improve and enhance the lives of all Americans. The CAP supports many of the provisions being included in the House budget reconciliation proposal that strengthen and expand access to health care coverage through improvements to the ACA and to Medicaid; address the public health need to plan for future pandemics, and to address health care inequities and disparities. by developing a national testing strategy that focuses on supply chain issues. We hope the Senate will include or expand on these provisions. However, the CAP believes the legislation can be strengthened by the addition of a provision preventing the 2022 E/M Medicare cuts that threaten pathologists and other physicians; and including S. 834 to address long-term physician workforce issues.

We look forward to working with you and your staff to strengthen this important legislation. If you have any questions, concerns, or need additional information, please don't hesitate to contact Michael Hurlbut, CAP Assistant Director, Legislation and Political Action, at mhurlbu@cap.org.

Sincerely,

Emily E. Volk, MD, FCAP
CAP President