

July 26, 2007

The Honorable John Dingell  
Chairman,  
House Committee on Energy and Commerce  
2125 Rayburn House Office Building  
Washington, D.C. 20515

Dear Mr. Chairman:

The undersigned organizations, representing rural providers, hospitals, physicians and laboratories, are writing to thank you for including a provision in HR 3162, the Children's Health and Medicare Protection Act of 2007, that would ensure continued access to quality pathology services to beneficiaries residing in rural areas.

Section 622 of HR 3162 extends for two years the ability of independent laboratories to bill Medicare directly for the technical component (TC) of physician pathology services provided to hospital patients. In 1999, CMS tried to eliminate direct payment of the TC to independent laboratories, which would have forced laboratory pathologists to seek payment from the hospitals without providing the hospitals the additional funds to pay for the services. Congress has recognized the importance of these relationships by permitting hospitals with agreements with independent laboratories in place in 1999 to continue independent laboratory billing of the TC.

We believe that this extension is essential to ensure that hospitals and independent laboratories have the stability they need to maintain quality clinical diagnostic testing vital to seniors, especially in rural areas, and appreciate your leadership in support of this goal.

Sincerely,

American Clinical Laboratory Association  
College of American Pathologists  
Genzyme Corporation  
Federation of American Hospitals  
National Rural Health Association