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**ACLA OPPOSES FURTHER CUTS TO CLINICAL LABORATORIES IN PRESIDENT'S  
2014 BUDGET –  
PROPOSAL WOULD CUT LAB REIMBURSEMENT BY AN ADDITIONAL 14% OVER  
TEN YEARS**

(Washington, DC) – The American Clinical Laboratory Association (ACLA) strongly opposes a proposal in the President's 2014 budget that would reduce reimbursement for clinical laboratory services in Medicare by an additional \$9.460 billion over ten years, a cut of at least 14% over ten years. This proposal, on top of the cuts already scheduled under current law, would bring total cuts to the Clinical Laboratory Fee Schedule (CLFS) to an estimated 35-37% over the next ten years.

“Clinical laboratories were already facing cuts of 23% over ten years from reductions enacted in the Affordable Care Act (ACA), a 2% rebasing, and sequestration -- many laboratories that provide critical laboratory services for Medicare beneficiaries were already hard hit by these cuts,” said Alan Mertz, President of ACLA. “While the President's Budget proposes cutting an additional 14% under the pretext of ‘Modernizing payments for clinical laboratory services,’ in fact, these reductions are so severe when added to cuts in current law that the ability of many laboratories to continue serving Medicare beneficiaries would be in doubt.”

“Medicare spent \$8.9 billion on clinical laboratory services in 2011, representing just 1.6% of total Medicare spending,” Mertz said. “Yet, 70% of physician clinical decisions are based on laboratory results. Critical to improving the quality of health care and lowering health care costs is access to clinical laboratory services. Clinical laboratories are providing the diagnostic tools to prevent, diagnose, and assist in guiding treatment for virtually all disease – any reduction in access to these services would set back quality of care, and will actually increase costs.”

Cuts of this magnitude could also endanger the ability of clinical laboratories to innovate and bring new genetic and molecular-based diagnostics. Clinical laboratories are at the heart of the personalized medicine revolution which is diagnosing disease in the earlier stages when most treatable, and helping to target treatment for better outcomes at a lower cost.

“ACLA recognizes the need to find ways to lower health care costs. We will be working with both the Administration and Congress to find savings without endangering patient access to critically important laboratory services.”

ACLA represents that nation's leading clinical laboratories.

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