



September 18, 2023

The Honorable Kevin McCarthy
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Speaker McCarthy and Leader Jeffries,

On behalf of the National Independent Laboratory Association (NILA), we want to express our concerns with certain aspects of the Lower Costs, More Transparency Act, which we understand will be considered by the House this week. While we support the overarching goal of promoting price transparency in the health care sector, we are concerned that the well-placed intentions of the laboratory transparency section of the legislation will not achieve the desired goal of promoting access to treatments. This provision, originally introduced as the Diagnostic Laboratory Transparency Act, mandates that laboratories list the cash price for tests on their websites, along with the deidentified minimum and maximum negotiated rates between the laboratory and insurance companies. While this is meant to enhance transparency and empower patients, there are potential unintended consequences that warrant careful consideration.

It is important to note that these requirements do not change what patients ultimately pay for health care services, and the disclosure of negotiated insurance rates will only confuse, not help, health care consumers. At the same time, the disclosure of these rates could give significant leverage to health insurers at the expense of laboratories. Disclosing this proprietary information could allow insurers to seek increasingly lower negotiated rates with laboratories despite the rising cost of administering clinical laboratory tests.

At the same time that laboratory payment rates are being disproportionately driven down by the results of the Protecting Access to Medicare Act of 2014 (PAMA)—which sought to tie Medicare Clinical Laboratory Fee Schedule (CLFS) payments to private payments, but oversampled private payer rates from large national independent laboratories—downward pressure on private payer reimbursement for clinical laboratory tests will have a detrimental impact on patient access to diagnostic tests.

We urge you to consider these concerns as Congress debates the Lower Costs, More Transparency Act. Price transparency is a commendable goal, but it should be pursued with a comprehensive understanding of its potential ramifications. It is vital to strike a balance between empowering patients and safeguarding the sustainability of clinical laboratories, especially independent ones that serve rural and underserved communities that otherwise would not have access to clinical laboratory testing. NILA is confident that with thoughtful adjustments, the

intended transparency goals of this legislation can be achieved while mitigating any unintended negative consequences.

Thank you for your time and attention to this important matter. We are open to further discussion and collaboration to ensure that the Lower Costs, More Transparency Act aligns with our shared commitment to improving health care access and affordability for all Americans. If you have questions or would like to further discuss this issue, please reach out to NILA's Washington, DC representative, Erin Morton at emorton@dc-crd.com.

Sincerely yours,

A handwritten signature in black ink that reads "Mark S. Birenbaum". The signature is written in a cursive style with a large, prominent initial "M".

Mark S. Birenbaum, Ph.D.
Executive Director
National Independent Laboratory Association

cc:

The Honorable Cathy McMorris Rodgers, Chair, House Committee on Energy and Commerce

The Honorable Frank Pallone, Ranking Member, House Committee on Energy and Commerce

The Honorable Virginia Foxx, Chair, House Committee on Education and the Workforce

The Honorable Bobby Scott, Ranking Member, House Committee on Education and the Workforce

The Honorable Jason Smith, Chair, House Committee on Ways and Means

The Honorable Richard Neal, Ranking Member, House Committee on Ways and Means