



March 26, 2014

The Honorable John A. Boehner
Speaker
U.S. House of Representatives
H-232 U.S. Capitol Building
Washington, DC 20515

The Honorable Nancy Pelosi
Democratic Leader
U.S. House of Representatives
H-204 U.S. Capitol Building
Washington, DC 20515

Dear Honorable Boehner and Democratic Leader Pelosi:

The Coalition for 21st Century Medicine (C21) supports the bipartisan sustainable growth rate (SGR) legislation introduced to protect Medicare physician payment and provide reform to the Medicare and Medicaid programs. In particular, the legislation modernizes the Clinical Laboratory Fee Schedule (CLFS) with a framework for market based payment and coding of advanced diagnostic tests. We appreciate your leadership on personalized medicine issues, and the bipartisan process that developed this legislation with input from a large cross section of different stakeholders.

C21 is comprised of many of the world's most innovative diagnostic technology companies, clinical laboratories, investors, and patient advocacy groups. These advanced diagnostic tests will help to lower health spending by identifying earlier those truly at risks for debilitating diseases and avoiding unnecessary treatments for other patients. The current payment methodology does not recognize the true costs of developing, commercializing, performing, interpreting and providing real-time decision support on the results of an advanced diagnostic.

The legislation appropriately reforms the out dated CLFS to provide a transparent and predictable payment framework for innovative diagnostic laboratory tests. C21 supports the provisions in the legislation to provide for unique codes and identifiers and to use private payer data as a benchmark for setting reimbursement rates that reflect the market value of the test. The 20 advanced diagnostic test laboratories that we represent support the requirement to report their market payment rates by commercial payers and allow CMS to adjust payments annually to reflect true market rates.

We look forward to our continued work with you in building a 21st Century Medicine system based on value delivered to patients and improved health outcomes.

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Thank you very much for your leadership on these important issues.

Sincerely,



Bonnie Anderson
President and CEO, Veracyte



Brook Byers
Partner, Kleiner Perkins Caufield & Byers



Kim Popovits
President & CEO, Genomic Health



Risa Stack
Steering Committee