



Wisconsin Society of Pathologists

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Scott Gerhart
Regional Vice President, Provider Solutions
Anthem Blue Cross and Blue Shield
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Dear Mr. Gerhart,

On behalf of the members of the Wisconsin Society of Pathologists (WSP), the sole organization representing pathologists in Wisconsin, I am writing you to express serious concern regarding announced changes to the Anthem fee schedule for pathology services. Specifically, we have concerns regarding the magnitude of the rate cuts, the rationale for the rate cuts, and the notification and response process.

Through conversations with members, as well as publicly available information, WSP understands the new fee schedules represent a substantial reduction from prior levels. In addition, pathology practices contacting Anthem have been told these rate cuts are non-negotiable. Given the magnitude of the proposed cuts and unwillingness of Anthem to negotiate, the ability of pathology practices to sustain high-quality services will erode. We believe many Wisconsin residents choose Anthem due to its reputation for assuring high-quality care and we do not believe the changes likely to result from the proposed rate changes are what Anthem customers expect from their health insurance carrier.

Anthem's proposed changes are not just an adjustment reflecting the increasingly challenging economics of health care. To the contrary, they represent a dramatic and disproportionate shift of laboratory services and suggest a fundamental misunderstanding of the vital role pathology and laboratory medicine has in caring for people in Wisconsin.

Most medical decisions hinge on the results rendered in pathology laboratories and pathologists' ability to deliver these critical diagnoses is contingent on access to technical resources, qualified staffing, professional expertise, and close communication with colleagues across other disciplines in medicine to ensure that their diagnoses incorporate the patient's complete clinical picture. This close communication requires local pathologists who are available 24 hours a day, 7 days a week who are able to immediately assist and consult with other treating physicians in their hospital system. The access to pathologists who are closely integrated into patient care will be severely imperiled by the proposed amendment, and our members' patients will suffer the consequences. In the world of medicine, one cannot treat what one does not understand, and pathology services are fundamental to that understanding.

How do pathologists decode disease into treatable diagnoses? In the clinical laboratories, pathologists orchestrate a myriad of tests that detail everything from evidence of a recent heart attack to the bacteria responsible for blood and urinary tract infections. In anatomic laboratories, which handle cell and tissue specimens collected from all over the body, pathologists work at the microscope not only to diagnose cancer and other illnesses, but to ascertain the best approach to treating it. In the era of precision medicine, chemotherapeutic options are impacted profoundly by the way pathologists interpret special stains and molecular tests, resulting in a personalized care approach that pairs patients with the best drugs and saves millions of dollars by preventing the unnecessary administration of costly treatments to patients. In this capacity, pathologists are poised

to contribute innovative cost-savings solutions to medical care, but only if they are allowed, and indeed encouraged, to remain an integral part of the care team.

The services pathologists provide grow increasingly complex as medical care becomes more sophisticated and treatment options become more nuanced, yet the perceived value of these services (particularly from third-party carriers) has steadily diminished. The reductions contemplated in the proposed amendment will be the most aggressive in history and are likely to result in closure or considerable reduction in hospital-based pathology services.

Simply put, this means Wisconsin patients will not be able to get the answers they need when and where they need them. Physician pathologists are an integral part of clinical care; care that is optimized by their ability to interact in a direct and timely manner with their patient-facing clinical colleagues.

We understand this rate cut strategy impacts multiple states in 2019 in addition to Wisconsin including California, Georgia, Indiana, Ohio, Kentucky, Virginia, and West Virginia. The context, reasons, and methodologies for the fee schedule changes are not clear. We have heard Anthem indicate the changes are necessary to remedy disparity across parts of the network and rebalance rates regardless of setting. However, other explanations indicate the changes may be tied to increases in Evaluation and Management codes or that the rates are meant to mirror those paid to large national laboratories, which would not be sustainable for smaller pathology practices. In sum, Anthem has not provided a clear and formal explanation of the changes and the current valuation of pathology services, as well as additional guidance and resources on exactly who is impacted by this change and where pathologists can go with concerns or questions.

Related to notification, we have concerns with the process, lack of transparency, and inconsistent communication. Some Wisconsin pathologists received notification in the Spring of 2019 indicating Anthem would publish fee schedule changes after July 1, 2019. Instead of sending a hard copy of the fee schedule, Anthem stated they would make it available via a third party online portal. Members have had difficulty accessing information through this portal and in some cases, specific CPT codes were not available. Providers need clear and timely access to the full fee schedule and adequate time to assess the changes. At least one practice incurred severe rate cuts in October, 2018 without any prior notification from Anthem. To date, other pathology practices are still not entirely sure whether their practices will or will not be impacted by the rate cuts that Anthem announced in the Spring of 2019. In another case, a pathology practice has one written communication from Anthem indicating the rate cuts will occur on August 1, 2019 and separate electronic notification indicating the cuts will occur on October 1, 2019. Overall, communication from Anthem has not been clear, comprehensive, or consistent.

In summary, WSP members are extremely concerned about the severity of the proposed Anthem rate cuts, without opportunity for negotiation, which will likely lead to out of network care impacting patient healthcare access. In addition, Anthem has not provided consistent explanations about the reasons for the rate cuts and the notification process lacks transparency, clarity, and consistency. WSP asks you to reconsider the rate cuts and the subsequent negative impact the proposed Anthem amendment will have on health care in both rural and urban areas of Wisconsin. The amendment will erode the high level of care the people of Wisconsin currently enjoy.

On behalf of Wisconsin pathologists and their patients, we appreciate the consideration of these comments. Should you need additional information or would like to discuss the matter, please do not hesitate to contact us as we would welcome the opportunity to work with Anthem to address these issues and mitigate the potential negative impact on patient care, access to care, and quality of care in Wisconsin.

Respectfully Submitted,

Chris Kinonen, MD, MBA, FCAP
Pathologist
President, Wisconsin Society of Pathologists