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August 13, 2007

The Honorable Nydia M. Velazquez
Chairwoman
House Small Business Committee
2361 Rayburn House Office Building
Washington, DC 20515

Dear Chairwoman Velazquez:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, and our 37,000 individual members, the American Hospital Association (AHA) is pleased to support your legislation, *The Community Clinical Laboratory Fairness in Competition Act of 2007* (H.R. 3453), which would repeal the Medicare competitive bidding demonstration project for clinical laboratory services.

Section 302(b) of the *Medicare Prescription Drug, Improvement, and Modernization Act of 2003* requires the Centers for Medicare & Medicaid Services to conduct a demonstration project to assess whether competitive bidding can be used to provide quality Medicare Part B clinical laboratory services at a price below current Medicare reimbursement rates.

The AHA is concerned that the demonstration's goal of a small reduction in Medicare program expenditures for laboratory services would come at the much larger expense of reduced patient access to important laboratory testing. Hospitals are already underpaid for laboratory services, and this additional burden would affect patients' ability to get the testing they need.

For this reason we support your legislation and look forward to working with you and your colleagues to achieve its enactment.

Sincerely,

Rick Pollack
Executive Vice President

