

VIRGINIA SOCIETY FOR PATHOLOGY

PO Box 4742
Virginia Beach, Virginia 23454

February 20, 2014

The Honorable Terry McAuliffe
Governor of Virginia
P.O. Box 1475
Richmond, Virginia 23218

Re: Please Support and Sign HB 893

Dear Governor McAuliffe:

On behalf of the Virginia Society of Pathologists' (VSP), I respectfully request that you support and sign HB 893 (Stolle). This legislation will prohibit an ordering physician from including a "markup" on anatomic pathology services (i.e. Pap tests and biopsies), when those services were rendered by another a doctor or provider. HB 893 passed the General Assembly unanimously and no organizations or stakeholders expressed reservations or concerns.

"Mark-ups" are concealed, profit-driven charges for services that are not rendered. Mark-up charges may occur when a physician sends a biopsy specimen to a laboratory and asks that the laboratory bill the physician instead of the patient, or patient's insurance company, for the service. The physician will then bill the patient or the insurance company at a higher price and profit from the difference.

- "Mark-ups" are prohibited under Federal Medicare law since 1984 and under Medicaid regulations in order to reduce federal and state healthcare costs.
- American Medical Association (AMA) ethics policy deems "markups" unethical. A markup fee is not considered the same as the AMA charge for an acquisition and processing fee (99000 CPT Code).
- Twenty-three (24) states have a similar legal prohibition on the markup of anatomic pathology services
- Prohibiting markup charges on anatomic pathology services will...
 - Protect Virginia patients from unethical and unjustified hidden charges that may be incurred by patients, or their insurers, without their knowledge
 - Decrease health care costs for patients and insurers by reducing inflated bills for pathology services
 - Eliminate unethical incentives for the referring physician to order more pathology services than necessary

Thank you for your consideration. With questions or for additional information, please contact Virginia Society of Pathologists' representative Cal Whitehead at cwhitehead@whiteheadconsulting.net or (804) 389-2825.

Best regards,



John Turner, MD
President, Virginia Society of Pathologists