



March 26, 2014

The Honorable Harry Reid
Majority Leader
522 Hart Senate Office Building
Washington, DC 20510

The Honorable Mitch McConnell
Republican Leader
317 Russell Senate Office Building
Washington, DC 20510

Dear Majority Leader Reid and Republican Leader McConnell:

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.

The Honorable Harry Reid
The Honorable Mitch McConnell
March 26, 2014
Page 2

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

Sincerely,

Handwritten signature of Bonnie Anderson in blue ink.

Bonnie Anderson
President and CEO, Veracyte

Handwritten signature of Brook Byers in blue ink.

Brook Byers
Partner, Kleiner Perkins Caufield & Byers

Handwritten signature of Kim Popovits in blue ink.

Kim Popovits
President & CEO, Genomic Health

Handwritten signature of Risa Stack in blue ink.

Risa Stack
Steering Committee