

**California Society of Pathologists**  
**2020 Annual Report to the Membership**

**Submitted by**

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**President**

**Prepared for**  
**Members of the**  
**California Society of Pathologists**

**December 2020**  
**CALIFORNIA SOCIETY OF PATHOLOGISTS**  
***2020 ANNUAL REPORT TO THE MEMBERSHIP***

Dear Colleagues,

On behalf of the California Society of Pathologists, we warmly welcome you to the 73rd Annual Meeting! It goes without saying that 2020 has been a difficult and unconventional year. However, with recent promising news about the preliminary effectiveness of vaccines against SARS-CoV-2, we are all hopeful that life will soon return to normal again.

The California Society of Pathologists is here to serve and support you in our dual mission of advocacy and education for pathologists. I am happy to say that the Education Committee has responded to the novel and unexpected challenges of 2020 by organizing an outstanding program for remote learning. The distinguished speakers in our virtual platform come from across the country and from different subspecialties, enabling all of us to continue exploring current and future advancements that affect our day-to-day practice. We owe a debt of thanks to the members of the Education Committee and the staff behind the scenes, who have earned our deep respect and gratitude for all their hard work.

The CSP recognizes the importance of providing a forum for evolving practice management perspectives and communicating challenging ideas that protect and reinforce our specialty. The advocacy work related to the government regulations that affect the way we practice pathology is unique to the CSP and is crucial to our profession. With your participation and support, pathology will continue to play a central role at the heart of medical practice.

If you have any questions, do not hesitate to reach out to a CSP Board Member, Education Committee Member, or staff member. You can find all our contact information on the CSP website. Although I am sure we all wish we were meeting in person, we can certainly look forward to being together next year in San Francisco. Once again, thank you for joining us for what I know will be an informative, productive, and enjoyable series of lectures; and I hope you enjoy the 1st Virtual Meeting of the CSP!

## I. LEGISLATIVE AND REGULATORY ACTIVITIES

The CSP continues its legislative advocacy. The following is a highlight of some of the issues that were monitored this year. Also, the Legislative section of the CSP website ([www.calpath.org](http://www.calpath.org)) provides access to CSP's entire legislative bill tracking activity throughout the year. The Legislative session was interrupted multiple times due to the COVID pandemic. There were far fewer bills passed and the budget process was upended by huge budget deficit prediction.

### Changes to Anthem Prudent Buyer Fee Schedule

We previously informed you that Anthem sent letters to providers under contract with the Anthem Blue Cross Prudent Buyer Plan announcing changes to their fee schedule effective 7/1/19. Though the letter indicates the changes are necessary to allow greater reimbursement for primary care and E & M services, they do not indicate that many high-volume anatomic pathology services are subject to significant reductions – as much as 50-60%. The Prudent Buyer Plan has 8 geographic regions, so the specific reimbursement amount can vary slightly; but, here are some examples of the impacted AP codes and how the proposed rates compare to Medi-Cal and Medicare payment rates:

Global Rates	Proposed Anthem Rate	Medi-Cal	Medicare
88305	\$42.34	\$40.99	\$73.46
88307	\$108	\$87.64	\$289.58
88341	\$37.87	\$60.62	\$100.14
88342	\$44.64	\$53.79	\$114.59
87480	\$9.90	\$18.03	\$22.28

The CSP contacted Anthem and the Department of Managed Health Care over the magnitude and impact of these proposed reductions. We know that some groups have been exempted based upon the having relatively new contracts or the hospital where they provide services has a new agreement. If you are a participating provider with Anthem Prudent Buyer Plan and have not received a letter and attached fee schedule you should contact the Network Relations Staff at [CAContractSupport@Anthem.com](mailto:CAContractSupport@Anthem.com). [Here is a link to the fee schedule](#) and you will find the pathology codes beginning on page 110. You can also go to [www.availability.com](http://www.availability.com). If a group is not affected by the change, there will be no rate available as the current fee/rate.

CSP had a conference call with Anthem contract managers in June where we complained about the magnitude of the rate reductions for many common AP procedures and that they often were below Medicare rates. As we had assumed, they were using rates that may currently being paid to large national labs in other parts of the country. We indicated that those rates are not comparable to the

hospital setting and further may be a marketing tool for large labs to obtain the broader array of clinical lab testing. They stated that to date, they had received few notices of contract terminations. We replied that it is very likely that many pathology groups were either not aware of the magnitude of the changes or were not in receipt of notice of the change.

Anthem did indicate that they would review our concerns with the rate reductions, but we have no assurance at this point that any changes will be made. We will continue our efforts, but each group should review their own situation and take actions as appropriate. We will provide updated information as it becomes available.

CSP did establish a Pathology Defense Fund and appreciates the contributions from many groups. Legislative action was not possible due to both the COVID lockdown and a general reluctance by organized medicine to “fix” any problems with the OON AB 72 law. Our efforts did result in a floor of 125% of Medicare for hospital-based pathologists who are OON, but it does not protect independent labs. With continued efforts in Congress to enact a surprise billing law, it was not desirable to hold out the California version as a model, and hence reform was not possible.

The CSP has used a small amount of the Defense Funds for legal research on strategies to address inadequate reimbursement rates. Additional efforts will be discussed in 2021.

## **CSP Supports Elimination of the Medi-Cal Provider Rate Cut/Rate Methodology**

The CSP has continued to push both the Assembly and Senate Budget Sub-committees to request elimination of the 10% Medi-Cal Provider rate cut that has been in place since 2011. The cut began in the midst of the recession that caused a \$25B shortfall in the State Budget. Some providers have now been exempted from the cut but relief to the physician community has been very narrow targeting only a handful of physician office visit codes and some pediatric services.

This year what began as a prediction of continued budget surplus quickly deteriorated into a predicted shortfall of \$52 billion based upon the impact of the COVID pandemic. The Legislature passed a bare bones budget in June with the likelihood of returning in the fall when revenues and expenses were clearer. That did not happen, and any prospect of Medi-Cal rate adjustments were gone.

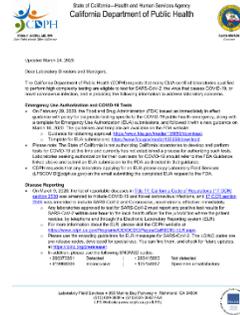
We did support AB 1327, sponsored by the California Clinical Laboratory Association, that would eliminate the requirement that Medi-Cal pay no more than 80% of Medicare for laboratory services. Since Medi-Cal adjusted their rates previously based upon review of private payer rates, it is no longer fair to additionally reduce rates based upon the 80% of Medicare methodology. In addition, the pending PAMA implementation could further impact the applicable Medicare rate. The bill was passed unanimously by the Legislature but ultimately was vetoed by the Governor in September. He objected to making this change and increasing state costs without including the change in the state budget.

# New Advisory from CDPH/LFS on Clinical Labs

[Click Here](#) to view the amended Advisory issued this week.

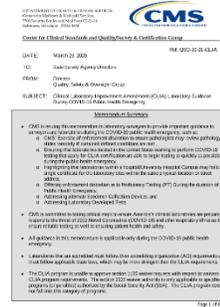
Included in the notice is:

- Emergency use authorization for COVID-19 tests
- Amends Title 17 to add COVID 19 to reportable diseases to public health department within 1 hour
- Governor's Executive Order of March 2nd waives current Business and Professions Code provisions allowing any personnel who meet the CLIA standard to perform high complexity testing to test for COVID during the existing emergency order



# CMS Issues Waiver of Certain CLIA Reg Requirements

CMS has issued [this memo](#) to California and other states to suspend certain CLIA requirements due to the COVID outbreak. It includes the ability to review slides remotely, PT requirements among other significant exemptions. It is an instruction to California Laboratory Field Services as the CLIA inspection arm for California. CSP has reached out to LFS and CDPH to confirm that they will recognize these inspection changes in the short term. Our question has been acknowledged but no there has been no formal reply yet. We would expect them to follow this guidance.



# Medi-Cal Waiver Includes Temporary Increases in Lab Rates

DHCS submitted a waiver request to CMS on March 16<sup>th</sup> that included a number of changes to Medi-Cal Policy. It included a waiver on current rate methodology of no more than 80% of Medicare and an additional reduction of 10%. The waiver was granted last Friday, and we are investigating the exact impact of these rate changes. The changes are effective March 1<sup>st</sup>, but even if the rates changed, you would not see them quickly since the claims processing system would have to be changed on the Fee for Service side. CSP will contact DHCS and provide additional information.

## CMS Relief for Pathology Providers

CMS has announced two relief measures that can help pathology groups in this challenging time. Here are two articles with link about the changes:

### **Opportunity to Obtain Advanced Medicare Payments as Imaging Volumes May Drop in Certain Settings**

#### Trump Administration Provides Financial Relief for Medicare Providers

Under the President's leadership, the Centers for Medicare & Medicaid Services (CMS) is announcing an expansion of its accelerated and advance payment program for Medicare participating health care providers and suppliers, to ensure they have the resources needed to combat the 2019 Novel Coronavirus (COVID-19). This program expansion, which includes changes from the recently enacted Coronavirus Aid, Relief, and Economic Security (CARES) Act, is one way that CMS is working to lessen the financial hardships of providers facing extraordinary challenges related to the COVID-19 pandemic and ensures the nation's providers can focus on patient care. There has been significant disruption to the health care industry, with providers being asked to delay non-essential surgeries and procedures, other health care staff unable to work due to childcare demands, and disruption to billing, among the challenges related to the pandemic.

*"With our nation's health care providers on the front lines in the fight against COVID-19, dollars and cents shouldn't be adding to their worries," said CMS Administrator Seema Verma. "Unfortunately, the major disruptions to the health care system caused by COVID-19 are a significant financial burden on providers. Today's action will ensure that they have the resources they need to maintain their all-important focus on patient care during the pandemic."*

Medicare provides coverage for 37.4 million beneficiaries in its Fee for Service (FFS) program and made \$414.7 billion in direct payments to providers during 2019. This effort is part of the Trump Administration's White House Coronavirus Task Force effort to combat the spread of COVID-19 through a whole-of-America approach, with a focus on strengthening and leveraging public-private relationships.

Accelerated and advance Medicare payments provide emergency funding and address cash flow issues based on historical payments when there is disruption in claims submission and/or claims processing. These expedited payments are typically offered in natural disasters to accelerate cash flow to the impacted health care providers and suppliers. In this situation, CMS is expanding the program for all Medicare providers throughout the country during the public health emergency related to COVID-19. The payments can be requested by hospitals, doctors, durable medical equipment suppliers, and other Medicare Part A and Part B providers and suppliers.

To qualify for accelerated or advance payments, the provider or supplier must:

- Have billed Medicare for claims within 180 days immediately prior to the date of signature on the provider's/ supplier's request form,
- Not be in bankruptcy,
- Not be under active medical review or program integrity investigation, and
- Not have any outstanding delinquent Medicare overpayments.

Medicare will start accepting and processing the Accelerated/Advance Payment Requests immediately. CMS anticipates that the payments will be issued within seven days of the provider's request.

An informational fact sheet on the accelerated/advance payment process and how to submit a request can be found here: [www.cms.gov/files/document/Accelerated-and-Advanced-Payments-Fact-Sheet.pdf](http://www.cms.gov/files/document/Accelerated-and-Advanced-Payments-Fact-Sheet.pdf).

This action, and earlier CMS actions in response to COVID-19, are part of the ongoing White House Coronavirus Task Force efforts. To keep up with the important work the Task Force is doing in response to COVID-19, visit [www.coronavirus.gov](http://www.coronavirus.gov). For a complete and updated list of CMS actions, and other information specific to CMS, please visit the [Current Emergencies Website](#).

### **Waiver from Quality Reporting/MIPS Requirements**

#### **Quality Payment Program and Quality Reporting Program/Value Based Purchasing Program COVID-19 Relief**

On March 22, 2020, CMS announced relief for clinicians, providers, hospitals, and facilities participating in quality reporting programs in response to the 2019 Novel Coronavirus (COVID-19). This memorandum and factsheet supplements by providing additional guidance to health care providers with regards to the announcement. CMS has extended the 2019 Merit-based Incentive Payment System (MIPS) data submission deadline from March 31 by 30 days to April 30, 2020. This and other efforts are to provide relief to clinicians responding to the COVID-19 pandemic. In addition, the MIPS automatic extreme and uncontrollable circumstances policy will apply to MIPS eligible clinicians who do not submit their MIPS data by the April 30, 2020 deadline.

You can find a copy of the memo here: [Memo](#)

You can find a copy of the fact sheet here: [Fact Sheet](#)

## II. MEDI-CAL AND MEDICARE PROGRAMS

### Noridian / Medicare Notices New Medicare Card effective 1/1/20

#### 1. New Medicare Card: Claims Will Reject After January 1:

Starting January 1, 2020, suppliers must use Medicare Beneficiary Identifiers (MBIs) when billing Medicare regardless of the date of service. Do not wait. Protect your beneficiaries' identities by using MBIs now for all Medicare transactions.

#### Need an MBI?

- Ask your beneficiaries for their cards.
- Use Noridian's MBI Look-up tool. Sign up for the [Noridian Medicare Portal](#) to use this tool.
- Check the remittance advice. Noridian returns the MBI on the remittance advice for every claim with a valid and active HICN.

2. Ask the Contractor Teleconference- November 14, 2019: The Noridian Provider Outreach and Education (POE) staff is hosting an Ask the Contractor Teleconference (ACT) on November 14, 2019 2 p.m. ET.

#### This event includes:

- Opportunity for suppliers to ask questions aloud and/or in writing
- Receive responses from multiple departments within Noridian
- Receive updates on Medicare changes and opportunities for DMEPOS education

To register for this call and other events of interest, visit the Noridian [Schedule of Events](#).

Our thanks to Drs. Gerry Hanson and Matt Hiemenz for their service on behalf of pathology with the Medicare CAC which interacts with Noridian on policy and administrative issues.

## III. EDUCATIONAL PROGRAMS

### California Seminars in Pathology

Once again, Education Committee Chairperson Balaram Puligandla, MD and the members of the Committee have created an extraordinary program, California Seminars in Pathology. The Committee's hard work has continued the Society's tradition of providing a premier scientific meeting for pathologists.

#### **IV. MEMBERSHIP**

The financial resources provided by members' dues drive the activities and services of the CSP. The CSP, like most medical associations, is struggling with sagging membership numbers. The CSP cannot survive if only a small number of pathologists in a group belong on behalf of the entire group. We encourage senior members of practice groups to discuss joining the CSP with junior members. If you are not currently a member or have colleagues in your group who do not belong, we would encourage you to join and participate in the Society's services.

##### **Practice Management Members**

The Practice Management Committee has continued to confer on Medicare and Medi-Cal claims processing issues.

The CSP has begun to develop some additional webinar programs to provide information to practice managers and pathologists. We hope to continue to expand those offerings.

The CSP continues its efforts to build a database of individual pathology practice managers. If you would like to have your group manager become involved as an Associate Member, simply call the CSP office at (916) 446-6001 or go the CSP website at [www.calpath.org](http://www.calpath.org). The membership information is available on the website under the membership section.

#### **V. NOMINATING COMMITTEE REPORT**

The Nominating Committee of the California Society of Pathologists nominates the following members to serve as Officers and Directors of the Board for 2020-2021. The election will take place at the Annual Business Meeting, Friday, December 6, 2019.

##### **Officers**

President	Kristie White, MD,
Vice President	James Harris, MD
Secretary-Treasurer	Emily Green, MD
Immediate Past President	Derek Marsee, MD, PhD

##### **Board of Directors (Three-year terms)**

Balaram Puligandla, MD
David Kaminsky, MD
Wayne Garrett, D.O.
Anthony Victorino, MD
Omid Bakhtar, MD

## **VI. FINANCIAL REPORT**

Our accountant audited our year-end financial statement for the fiscal year ending December 31, 2018. CSP had revenue of \$394,020 with expenses of \$367,585 for a net surplus of \$26,435. A copy of the year-end report can be obtained from the CSP Central Office.

## **VII. CONCLUSION**

It has been an honor and privilege to serve as President, and I thank you all for your support.

The CSP is an organization that continues to achieve its goal of enhancing the specialty of Pathology. This success is due to the collective efforts of an active and extremely capable Board of Directors and staff.

Join me in thanking each of the members of the CSP Board of Directors:

### **Officers**

Vice President

Kristie White, MD

Secretary Treasurer

James Harris, MD

Past President

James Carry, MD

### **Board of Directors**

Christopher Wixom, MD

David B. Kaminsky, MD, FIAC

Wayne Garret, DO

Luke Perkocha, MD, MBA, FCAP

G. Peter Sarantopoulos, MD

Emily Ann Green, MD

Tim Hamill, MD

Balaram Puligandla, MD

Brent Larson, D.O.

### **Resident Representatives**

Lucy Han, MD

Ziba Rahbar, MD

### **Education Committee Chair**

Balaram Puligandla, MD

### **CSP Executive Director**

Robert Achermann

Respectfully submitted,

Derek Marsee B. Carry, MD, PhD  
President