

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. profile	Re: Carolyn Kim McCarthy (partial) (1 page)	05/11/93	P6/b(6)

COLLECTION:

Clinton Presidential Records
Domestic Policy Council
Carol Rasco (Meetings, Trips, Events)
OA/Box Number: 4592

FOLDER TITLE:

Metpath/Kim McCarthy 5-14-93 1:00 p.m.

rw141

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advise between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Date: _____

Time: _____

THE WHITE HOUSE

FAX COVER SHEET

TO:

Carol Rose

Phone:

() _____

FAX:

() 456-2878

FROM:

Lyn Manghera

Phone:

(202) 456-2315

Pages following cover sheet = 3

May 18, 1993

MEMORANDUM FOR CAROL RASCO

FROM: LYNN MARGHERIO
SUBJECT: METPATH/DIRECT BILLING

During the reconciliation process, MetPath, a subsidiary of Corning, Inc., will urge for the amendment of the Public Health Service Act to require direct billing for all laboratory testing.

BACKGROUND:

When clinical laboratories perform tests for physician's offices, the physician, not the laboratory, bills the patient or the third-party insurer for the test. The physician typically adds an "interpretation" charge to the laboratory's base charge. MetPath cites a 1988 survey of 1,200 primary care doctors by Market Facts, Inc. that reports an average physician mark-up of 139%.

Most states do not require direct billing by laboratories. Only a handful of states - - Michigan, Rhode Island, Connecticut, Pennsylvania and New York - - have direct billing.

Since July, 1984, Medicare has had a policy of direct billing.

ARGUMENT FOR PROPOSAL:

MetPath argues that direct billing will reduce prices for patients. Further, by lowering prices (and utilization) in the private sector, the federal government will save money on Medicare.

- Laboratory test prices charged are eight to ten percent higher in states that permit doctors to bill for tests they do not perform. Utilization rates are 28 percent lower in direct-billing states. (Center for Health Policy Studies)
- Metpath claims savings of \$195 million for Medicare in 1993 (Center for Health Policy Studies) under direct billing. By removing financial incentives that exist for private-pay patients to perform more tests, physicians will perform fewer tests overall. A brief conversation with HHS suggests that they do not believe that the savings will be this great, but they were not prepared to provide another estimate.

ARGUMENT AGAINST PROPOSAL:

- By requiring direct billing, we may be adding additional hassle to consumers. If they go to a doctor and have a test done, instead of getting one bill, they'll now get two. (If you'd like, I can follow up with MetPath to see if they have a proposal that might address this concern.)
- Also, physicians will strongly oppose this, as it's taking away a source of revenues. If we want them on our side for health reform, we may not want to take on this battle over a micro issue like direct billing.
- Under the new system we're proposing, we're requiring all plans to live within a budget (whether fee-for-service, HMO or PPO). Plans will get a certain dollar amount for a patient and will have to manage the overall costs to treat the patient. Under a budgeted system, physicians will not be able to attach the kind of markup that currently exists.

RECOMMENDATION:

In principle, we would agree that physicians shouldn't mark up the price on lab tests they didn't perform. But, we may not want to get involved in this political fight over a micro issue pre health reform.

I recommend that the Administration not take a position on the issue.

Metpath

140-300% markups

Reverse cost shifting

Benjamin, Metzenbaum > Introd. Bill on topic, wd
use Pub. Hlth Service Act to amend

THE WEXLER GROUP

1317 F Street, N.W.
Suite 600
Washington D.C. 20004
202-638-2121
202-638-7045 Telecopy

Roz
Call BW & set up
Christine
Heenan
frank.
CH
When I need this to go to
to see if anyone
from reform
group should
you me in

April 23, 1993 *meeting,*

MEMORANDUM FOR Carol Rasco
Domestic Policy Adviser
FROM: Betsey Wright *BW*
RE: Request for meeting with Kim McCarthy of Metpath

I would like to request a meeting with you for Kim McCarthy, Policy Director of Metpath, a client of the Wexler Group.

The purpose of the meeting is to discuss:

1) Need for direct billing of lab services to eliminate cost shifting (recent studies show that direct billing will result in over \$2 billion in savings each year)

2) Metpath support for price caps in a direct billing environment

Kim is available at the following times:

afternoon of 4/30 *Thu 2 p.m.?*
any time on 5/5 or 5/11 *either of these days fine*
between 2pm and 4 pm on 5/13 *no*

Let me know if you need dates after that.

Many thanks for considering this request.

Lynn + Christine to get in this mtg.

How about 5/14 @ 1:00

boxed for CH response

The Wexler Group
Hill and Knowlton
Public Affairs Worldwide Co.
1317 F Street, N.W.
Suite 600
Washington, D.C. 20004
202-638-2121
202-638-7045 Telecopy

FAX COVER SHEET

NAME: Rosalyn

COMPANY NAME: The White House

FROM: Lori

PAGES: 2
(INCLUDING COVER)

DATE: 5/13/93

ANY PROBLEMS PLEASE CONTACT: Lori 662-3720

MESSAGE: For tomorrow's METPATH
meeting with Carol

CONFIDENTIALITY NOTE:

The information contained in this facsimile message is legally privileged and confidential information intended only for the use of the individual or entity named below. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copy of this telecopy is strictly prohibited. If you have received this telecopy in error, please immediately notify us by telephone and return the original message to us at the address above via the United States Postal Service. Thank you.

Withdrawal/Redaction Marker

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**This marker identifies the original location of the withdrawn item listed above.
For a complete list of items withdrawn from this folder, see the
Withdrawal/Redaction Sheet at the front of the folder.**

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Carol Rasco (Meetings, Trips, Events)
OA/Box Number: 4592

FOLDER TITLE:

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CAROLYN KIM MCGARTHY

Kim McCarthy is Vice President-Public Affairs of MetPath Inc. in Teterboro, New Jersey. She also serves as Executive Director of the MetPath Foundation. MetPath, a leader in the clinical laboratory testing field, has facilities in some 200 communities, nationwide. It is part of Corning Laboratory Services Inc., a wholly-owned subsidiary of Corning Inc.

In her position, Ms. McCarthy oversees MetPath's legislative, regulatory, public policy and philanthropic activities. A graduate of George Washington University, she received her J.D. from George Mason University. A member of the Pennsylvania and D.C. Bars, Ms. McCarthy previously served as Legislative Counsel and Director of Federal Government Affairs for Corning Incorporated. Prior to that, she was a Legislative Analyst for the Association for Manufacturing Technology, and previously, for The National Association of Realtors.

A member of the Board of Governors of the Congressional Management Foundation, Ms. McCarthy also serves on the Corporate Advisory Board of the Center for Women's Policy Studies. She has been a featured speaker on laboratory industry payment and regulation issues at various national forums, in recent years.

For Friday, May 14@ 1:00 meeting with Carol Rasco:

Carolyn Kim McCarthy's DOB: [redacted] P6/b(6) SSN [redacted]
Betsey Wright DOB: [redacted] P6/b(6) & SSN [redacted]
Jody A. Hoffman DOB: [redacted] P6/b(6) & SSN [redacted]

Post-It™ brand fax transmittal memo 7671		# of pages	1
To	Stephanie Paterson		
From	Virginia Turkheim		
Co.	Co.		
Dept.	Phone #		
Fax #	[redacted] P6/b(6)	Fax #	347-2315

Date: _____

Time: _____

THE WHITE HOUSE

FAX COVER SHEET

TO: Carol Rocco

Phone: () _____

FAX: () 2878

FROM: Lynn Margherio

Phone: (202) 456-2315

Pages following cover sheet = 1

TO: Carol Rasco
FROM: Lynn Margherio
SUBJ: MetPath
DATE: May 26, 1993

I would recommend that we stay neutral with respect to the direct billing issue.

We would agree in principle with the overall desire to keep down unnecessary mark-ups on lab test charges.

There are grounds to oppose the introduction of this bill, however:

- We do not necessarily agree with their analysis that direct billing will result in overall system savings (in fact, Ken Thorpe points to empirical data from a 1983-1987 ASPE study of the impact of direct billing on Medicare that showed that the volume of laboratory testing actually increased following an initial lag).

In order for short-term savings not to be offset in the long run by volume changes, another step would have to be taken to control laboratory utilization.
- The federal government will be seen as once again micromanaging health care.
- It's contrary to the flexible federal-state relations strategy we're pursuing under health reform. Today, only a handful of states have direct billing. A federal mandate would override state policy in the majority of states.

TO: Lynn Margherio
FROM: Carol H. Rasco
SUBJ: MetPath
DATE: May 24, 1993

I have received your excellent memo on the Direct Billing issue. I tend to agree with you that we should not get involved in this issue during reconciliation and in light of moving into health care reform. Before I respond to MetPath I would appreciate your assessment on the following: If we tell MetPath the administration will not take a position at this time, can you foresee (perhaps you can consult with people working with Health Care Reform effort) that we would for any reason oppose the matter if MetPath has it introduced?

Thanks.