

In-office pathology laboratories are dead is just dead wrong

Many stakeholders have been trying to shut down IOP for the past ten (10) years to no avail. These stakeholders have increased/changed the rules/regulations and now to fund Obamacare they cut Medicare fees for the top pathology CPT codes on the TC fee schedule. Jackie Speier (D) California has a bill languishing for months in Congress trying to get support to outlaw in-office labs in an election year. Just not going to happen. The President has a provision in his 2015 budget for closing the loophole. Remember his last budget? It lost 100 to ZERO in the Senate. We have mid-term elections in November. Obamacare anyone?

The end result? IOP has added several new clients each of the past two years in GI, dermatology, private pathologist owned labs and multi-specialty group practices. Now that the new health plan has rolled out as a disaster, our business could not be better. We are negotiating with at least six (6) new potential clients right now.

There are persistent rumors in the marketplace that we will address here and now:

1-“Congress will outlaw all in-office pathology labs this year (or next year).”

Below is the direct quote from the well-respected journal Laboratory Economics. It shows that once you are “in” you are “in”.

“Closing the loophole to Stark In-Office Exemption”

“despite lobbying efforts by the College of American



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Pathologists, our policy advisor says it is an uphill battle for any legislation that would close the Stark in-office ancillary service exception that allows urologists, gastroenterologists, dermatologists and others



to operate in-office pathology labs. Any new legislation closing the loophole would need to include a grandfather clause for existing in-office pathology labs, according to our source.”

2-“The Medicare technical fee cuts will wipe out all in-office pathology labs”

Even if your practice is 100% Medicare you can have a profitable pathology laboratory from IOP. We cannot comment on pathology labs installed by others. For example, a GI/Uro/Derm practice with 30% Medicare would see about a 10% reduction in total lab revenues. Hardly a showstopper. We can show you the net effect on your practice using your actual referral data. Call 800.280.3785 for your free financial analysis of the IOP model vs. TCPC. Our full analysis provides both revenue and expense projections and net profits.

3-“TCPC is the safest and best way to enter the pathology business”

Like all other low risk businesses it has a very low return on your investment. Who is promoting TCPC? Reference labs. TCPC favors their interests over your practice. Many insurance plans are not paying for the technical and professional billings separated. Your pathologist will still want to be paid. IOP labs dwarf the profit from a TCPC scheme. You also build a very valuable asset with IOP that can be leveraged if you ever have to sell or merge your practice in the future. TCPC will never do that for your group.