



February 6, 2017

SENATE ADDRESS BLOCK

Dear Senator ___:

Thank you for your service to the citizens of the State of Texas and for your commitment to protect the interests of those you represent. As Physicians, we too take seriously the obligation to protect patients and their well-being, particularly when we face limitations in our ability to practice on a patient’s behalf. Among many other decisions physicians should be allowed to make in consult with patients is laboratory choice. Physicians should have the discretion to determine the best lab for patients, and cost alone should never drive that choice independently from quality. I am writing to make you aware of a new initiative that threatens these principles in Texas.

Originally slated for March 1, 2017, United Healthcare (UHC) plans to soon implement Beacon Laboratory Benefit Solution in Texas. Beacon is an electronic tool that notifies UHC when certain common lab tests are ordered and then steers those tests to a subset of in-network labs (“Labs of Choice”) that accept fees in the lowest quartile. Since Beacon was piloted in Florida two years ago, the impact to physician practices has been disastrous. Many medical organizations have voiced opposition to the program, including the Florida Medical Association, the [Florida Society of Rheumatology](#), the American Congress of Obstetricians and Gynecologists District XII (Florida), the Florida Academy of Family Physicians, and the Florida Society of Pathologists. The Florida experience highlights ways this program will negatively impact Texans, including denial of critically important tests and limitation of physician options that effect patient health and safety.

Although UHC claims that Beacon will reduce healthcare costs, the program will add new, incremental costs to every

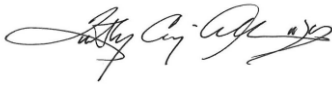
patient treated by Texas physicians. In Florida, many physician offices have been forced to add staff to handle the increased administrative burden caused by the program. Beacon's design shifts both new and existing costs from the insurance company to Texas physicians, even providing a structural justification to deny payment for services in an attempt to circumvent the Texas "Prompt Pay of Clean Claims" law.

UHC claims Beacon is a quality initiative, but it will not improve quality. Instead, it will actually result in reduction of UHC's expenses and steerage to the lowest cost provider within its network. When it goes into effect, Beacon will limit every physician's right to choose the in-network pathologist and laboratory they want for their patients. Choosing the most appropriate laboratory for his or her patients results in better outcomes for patient care, test quality, and total cost of care. Interference in this choice is akin to interference in the practice of medicine. This power should never be given to an insurance company.

The notion that an insurance company can create a network within a network, steering referrals within a network of contracted providers based on the reimbursement accepted by that provider, should alarm everyone, including you in your role as policymaker. Beacon threatens physicians' fundamental right of choice in their practices, unlinking cost from quality and interfering with patient care. You must stop implementation of Beacon in Texas.

The following organizations, representing physicians and patients across Texas urge you to prevent or delay implementation of this inappropriate program.

Sincerely yours,



Tim Allen, MD, JD
President
Texas Society of Pathologists



Stephen Brown, MD
President
Texas Radiological Society



Deborah L. Plagenhoef, MD
President
Texas Society of Anesthesiologists



Richard K. Hurley, MD
President
Texas Pain Society



Kyle F. Dickson, MD
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Texas Orthopaedic Association



Tricia Elliott, MD
President
Texas Academy of Family Physicians



Kimberly Carter, MD
President
Texas Association of Obstetricians and Gynecologists



David E. Garza, DO
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Joyce Elizabeth Mauk, MD
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Texas Pediatric Society

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Texas Society of Plastic Surgeons

Daryl K. Knox, MD
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Texas Society of Psychiatric Physicians

Angela Yen Moore, MD
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George Vassar, MD
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Texas Urological Society

Eric Weaver, FACMPE
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