



HB 96 Interested Party Testimony
Vivek Bhatt, President, Great Midwest Region
Quest Diagnostics
House Medicaid Committee
Chair Jennifer Gross
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Chair Gross, Vice Chair Barhorst, Ranking Member Baker and members of the House Medicaid Committee, my name is Vivek Bhatt, and I am President of the Great Midwest Region with Quest Diagnostics. Quest Diagnostics is a clinical laboratory providing diagnostic insights to improve health and quality outcomes and has over 1,000 employees and multiple labs within the State of Ohio, including our Cleveland HeartLab Cardiometabolic Center of Excellence. We are a longstanding ODM provider with the Department of Medicaid, performing over 2.17M tests in 2024 for Ohioans covered under the Traditional Medicaid or Next Generation Program. Laboratories are at the forefront of diagnosing our most complex diseases, supporting early intervention and preventative care while helping to manage chronic conditions. Clinical laboratory testing informs approximately 70% of all medical decisions by clinicians which empowers improved health outcomes and makes a difference in Ohioans' lives.

Ohio Medicaid reimbursement rates for lab testing have fallen behind the actual cost of providing care in recent years. Clinical laboratory rates have been held at 75% of Medicare (or lower) for too long, and Quest Diagnostics has held multiple conversations with the Department of Medicaid regarding its low reimbursement rates for laboratory services. That's why we were encouraged last budget (HB 33) when Medicaid introduced and the General Assembly supported a host of provider rate increases, including laboratory services. Unfortunately, once enacted, the laboratory industry was frustrated when Medicaid did not increase any laboratory rates with the exception of venipuncture which was previously reimbursed at an abysmal 26% of Medicare. *Let me make this point clear, despite the intent to address laboratory rates last budget, with the exception of venipuncture, all laboratory rates remain at pre-HB 33 levels.*

Following the failure to increase laboratory rates as approved in the previous budget, we met with the Department on multiple occasions to discuss our frustration and a plan to move forward. We were informed that we would need to wait to address this issue in the next budget process, the FY26/27 budget. In HB 96, the laboratory industry has once again been let down by the Department of Medicaid as they have again declined to make good on their commitment from last budget to increase lab rates.

We need the support of the Ohio General Assembly to fix this issue the Department of Medicaid has failed to address. We urge you to increase Medicaid's clinical laboratory rates from the current 75% of Medicare to 80%. As a point of comparison, Indiana and Kentucky clinical laboratory fee schedules are 100% of Medicare. Michigan and West Virginia are at 90%, and the Pennsylvania average rate is at 97% depending on the CPT code. Additionally, we are proposing Medicaid update its clinical diagnostics and pathology procedures fee schedule annually to reflect Medicare rate changes, as the annual CMS Clinical Laboratory Fee Schedule rate changes are oftentimes not applied.

Historically, the lab industry has operated quietly in the background, and as a result has often been overlooked. Diagnostic testing is critical to preventative healthcare, treatment identification and recovery, and a 5% increase would provide critical support to the industry. We appreciate your consideration of this long overdue proposal.

Chair Gross and members of the Medicaid Committee, thank you for allowing me to testify today. I am available to answer any questions at this time.