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UNITED STATES GENERAL ACCOUNTING OFFICE WASHINGTON, D.C. 20548

B-16403. 8-1-74

MANPOWER AND WELFARE
DIVISION

B-164031(2)

AUG 1 1974

The Honorable B. F. Sisk House of Representatives

Dear Mr. Sisk:

In response to your letter dated February 20, 1974, and later discussions with you and your staff, we reviewed the regulations of the Department of Health, Education, and Welfare (HEW) regarding the qualifications that laboratory directors must meet for independent laboratories to be certified under Medicare. The purpose of our review was to ascertain whether application of the regulations caused unnecessary hardships for certain persons in California where the State laboratory licensing law in effect at the time the Medicare regulations were implemented had prevented such persons from meeting the Medicare qualifications by the date specified in the regulations.

As you know, the matter is complicated and arguments can be made both for and against revising the regulations to alleviate the problems of the laboratory directors in California. After considering the various aspects of the matter, we concluded that the regulations could be modified without compromising the standards relating to the health and safety of program beneficiaries. As members of my staff discussed with you, HEW published proposed revised regulations in the Federal Register on July 2, 1974. Enclosed is a copy of a letter which we sent to the Commissioner of Social Security on July 17, 1974, commenting on the proposed regulations. In the letter, we suggested that the proposed regulations be revised to advance the January 1, 1968, cutoff date for meeting the 12-month laboratory director requirement by 1 year for each year of laboratory experience required by State law for a laboratory director license.

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We believe that our suggested revision could alleviate the laboratory directors' problems in California without jeopardizing Medicare laboratory standards. However, the final decision regarding a revision to its regulations must be made by HEW.

We trust that this action is responsive to your request.

Sincerely yours,

regory J. Amari

Enclosure