

Laboratory Services Act Implementation UPDATE

Laboratory Services Act Enactment on October 1, 2015

The [Laboratory Services Act](#) (LSA) came into force on October 1, 2015. The LSA replaces the [Medicare Protection Act](#) and the [Hospital Insurance Act](#) as the authority for insuring laboratory services and consolidates the responsibilities for the governance, funding and service delivery oversight of all publicly-funded laboratory services in the province. This legislation enables improved coordination of inpatient and outpatient clinical laboratory services province-wide, to facilitate the streamlining and integration of systems, to take advantage of emerging and improving medical technologies, and, most importantly, to enhance the delivery of patient-centred care in the laboratory system in British Columbia.



The LSA establishes a relationship between the Minister of Health and laboratory operators for the provision of all publicly-funded laboratory services in British Columbia. There are few changes that will impact the everyday operations of laboratory services delivery. This update outlines the operational considerations for the October 1, 2015, enactment of the LSA.

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Laboratory Services Website

Launched on October 1, 2015, the Laboratory Services website (www.gov.bc.ca/laboratoryservices) provides health professionals (including public and private laboratory operators, laboratory medicine physicians, and referring medical and health care practitioners) with timely information to support the provision of laboratory services to patients (beneficiaries) across British Columbia. The website contains information about administration under the LSA, including the Laboratory Services Payment Schedule, Schedules of Benefits for Referring practitioners, submitting the Operator Payment Administration Form, and Facility Approval Application, among other forms.

Laboratory Facilities

Facilities providing laboratory services formerly governed under the *Medicare Protection Act* or the *Hospital Insurance Act* are considered “grandparented laboratory facilities” and can continue to provide laboratory services under the LSA. These include:

- Laboratory facilities associated with a hospital, as defined in Section 1 of the *Hospital Insurance Act*;
- Diagnostic facilities that were approved (to October 1, 2015) to provide laboratory services under the *Medicare Protection Act*;
- Specimen collection stations associated with either a hospital or a diagnostic facility as described above; and,
- A laboratory that is funded, managed or operated by a prescribed agency.

Accreditation continues to be required for any facility providing laboratory services in advance of providing services. Accreditation of BC’s public and private laboratory facilities will continue to be provided through the [Diagnostic Accreditation Program](#) of the College of Physicians and Surgeons of British Columbia.

Mandatory reporting will continue under the LSA. Laboratory facilities providing outpatient fee-for-service benefits will be contacted twice per year (November and May) to confirm laboratory facility capacity and capability related data or other information if and as required by Laboratory Approval Staff.

Facility Application Process

A new laboratory facility application process and form will be provided on the Laboratory Services Website. However, the province-wide moratorium on applications for laboratory facilities and specimen collection stations operating under approvals will continue under the LSA, with an exception for demonstrated urgent health or safety needs or demonstrated significant urgent business needs (such as new hospital construction). Applications to add new services to existing approvals continue to be accepted. Currently, this application process is only applicable to operators providing outpatient laboratory services on a fee-for-service basis.

What is a prescribed agency?

As per section 6 of the Laboratory Services Regulation, the current prescribed agencies are:
British Columbia Cancer Agency Branch,
British Columbia Centre for Disease Control and Prevention Society Branch,
Children's & Women's Health Centre of British Columbia Branch, and
the Provincial Health Services Authority.

Laboratory Approval staff are Ministry of Health staff who support the administration of the LSA.

Funding of Laboratory Services

While laboratory facilities will no longer be funded under the *Medicare Protection Act* or the *Hospital Insurance Act*, the funding for laboratory services will continue to be provided by the Ministry of Health as per the following:

Outpatient Laboratory Services (insured, fee-for-service)

Providers will continue to submit claims for laboratory services provided to beneficiaries of the Medical Services Plan (MSP) through the Teleplan system (refer to the Ministry of Health's [Claim Submission & Payment](#) webpage). However, the Laboratory Services Outpatient Payment Schedule replaces Section 40 of the Medical Services Commission Payment Schedule, with the following exceptions (which will remain under section 40 of the Medical Services Commission Payment Schedule):

- Telehealth and consultation fee items
- Fee item 93120 E.C.G. tracing, without interpretation (technical fee), will remain under the authority of the Medical Services Commission. Specimen collection stations can still perform the technical procedure and laboratory facilities can submit claims to the MSP for this fee item, through Teleplan to Health Insurance BC (HIBC).

The Laboratory Services Outpatient Payment Schedule – titled, [SCHEDULE OF FEES for the Laboratory Services Outpatient PAYMENT SCHEDULE](#) – replaces Section 40 of the Medical Services Commission Payment Schedule, with a few exceptions.

Issued by the Minister of Health, the Laboratory Services Outpatient Payment Schedule functions as the primary claim processing and payment policy document for insured fee-for-service outpatient laboratory services in British Columbia. This payment schedule contains billing and payment detail for laboratory operators, a schedule of laboratory medicine fees, as well as limits and conditions on laboratory benefits approved for referring medical and health care practitioners. The document is maintained by the Laboratory, Diagnostic and Blood Services Branch of the Ministry of Health, and will be reviewed and updated as required based on best evidence and consultation with stakeholders.

Claims for insured fee-for-service outpatient laboratory services with a date of service prior to October 1, 2015 will be paid through MSP in accordance with the provisions of the *Medicare Protection Act* and the [Medical and Health Care Services Regulation](#), the relevant payment schedule (e.g. Medical Services Commission Payment Schedule), and MSP claims policy and procedures. Conversely, with exception of the fee items mentioned above, claims with a date of service of October 1, 2015, or onward, will be processed in accordance with the provision of the LSA and the [Laboratory Services Regulation](#), the Laboratory Services Outpatient Payment Schedule (and schedules specifying the benefits that may be requested by midwives, registered nurses (certified), and podiatrists) and claims policy and procedures established by HIBC.

Funding of Laboratory Services (continued)

Operator Payment Administration

The new Operator Payment Administration form (also called the “OPA form”) and process is used for the Laboratory modality only and will facilitate claims made by laboratory facilities/operators for insured fee-for-service outpatient laboratory services. The purpose of this form (HLTH 2999) is strictly to facilitate payment, and is distinct from any clinical functions or medical responsibilities. The operator is responsible for the accuracy and appropriateness of the claims made under the assigned practitioner’s number.

Inpatient Laboratory Services and Laboratory Services Provided By Prescribed Agencies

Inpatient laboratory services provided by regional health authorities and specialized laboratory services provided by prescribed agencies will continue to be funded through each health authority’s global operating budget.



Laboratory Volume Discounting (LVD)

The Province of British Columbia and the Doctors of BC have historically entered into Laboratory Medicine Fee Agreements that establish annual expenditure targets and use a



discounting mechanism to manage costs for outpatient fee-for-service laboratory testing. As of October 1, 2015, such agreements are no longer in effect, instead the Minister of Health is responsible for determining the amount paid for a laboratory service. For outpatient laboratory services paid on a fee-for-service basis, the Ministry of Health will continue to apply the LVD model with 62% of 2011/12 volumes of 56 fee items paid at 100% and volumes greater than 62% discounted at 50%.

Requisitions

The Minister of Health has adopted the Medical Services Commission approved Standard Outpatient Laboratory Requisition form (HLTH 1901) for requesting insured outpatient laboratory services. Laboratory service providers may customize this requisition to include company logos or patient instructions for distribution to referring practitioners. However, the content on the form must remain unchanged.

The Ministry of Health recognizes that a number of laboratory facilities (primarily operated by health authorities) have created their own inpatient and outpatient laboratory requisitions for globally-funded and fee-for-service funded laboratory services. Each laboratory operator was provided with a list of facility-specific laboratory requisitions that are approved for use under the LSA. In accordance with the *Laboratory Services Regulation*, operators may only provide to referring practitioners requisitions that are approved by the Minister of Health.



Clinical Guidelines & Protocols

The authority for the establishment of provincial practice guidelines and protocols under the *Medicare Protection Act* rests with the Medical Services Commission. Guidelines and protocols are developed through an advisory committee of the Medical Services Commission, the Guidelines and Protocols Advisory Committee, and its working groups (refer to the Ministry of Health's [BC Guidelines](#) webpage).

As of October 1, 2015, under the authority of the LSA, the Minister of Health is adopting the existing guidelines and protocols of the Guidelines and Protocols Advisory Committee. Referring practitioners are obliged to consider all relevant guidelines and protocols established by the Minister when referring a patient for laboratory services.

Referring Practitioners

For the purposes of insured fee-for-service laboratory services, laboratory facility operators may only accept referrals for the provision of laboratory services (benefits) to beneficiaries from a medical practitioner or from a person prescribed under the *Laboratory Services Regulation* as a health care practitioner.

The LSA defines a referring health care practitioner as a person who is either a medical practitioner enrolled under Section 13 of the *Medicare Protection Act* or a person within a class of prescribed health care practitioners who may make a request for a beneficiary to receive laboratory services. Under the *Laboratory Services Regulation*, prescribed health care practitioners include: dentists, midwives, podiatrists, nurse practitioners — each must be registrants of their respective colleges; and, registered nurses (certified) registered with the College of Registered Nurses of BC and enrolled under Section 4 of the *Laboratory Services Regulation*.

As per the *Laboratory Services Regulation*, the Minister of Health implemented October 1, 2015, by Ministerial Order, schedules specifying the benefits that may be requested by midwives, registered nurses (certified), and podiatrists. These schedules were developed in consultation with the colleges and associations for these referring practitioners to ensure the list of benefits reflects the referral needs of each class of these referring practitioners. Medical practitioners, nurse practitioners and dentists may request any medically necessary laboratory tests within their scope of practice.

Specifically with regard to Registered Nurses with certified practice (RN(C))...

*A registrant of the College of Registered Nurses of British Columbia who is authorized to use the title “nurse” or “registered nurse”, and has successfully completed a certification program as described in the [Nurses \(Registered\) and Nurse Practitioners Regulation](#) may apply for a MSP Practitioner Number (using the HLTH 2998 form) and request to be enrolled as a referring health care practitioner, subject to requirements set out in Part 2 of the *Laboratory Services Regulation*.*



For More Information...

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