

Laboratory Services Act: Recovery of lab-test costs

This article originally appeared in the June 2016 issue of the BCMJ. As this subject continues to pose a problem, the Patterns of Practice Committee decided to rerun the article.

In the July/August issue of the *BCMJ* we described how physicians may be affected by the Laboratory Services Act. The Act reinforces the provision of recovering lab-test costs from the referring practitioner (Section 54). This means that the Ministry of Health is able to recover funds from doctors who order tests that are not associated with an MSP benefit but are billed to MSP. The ministry can recover these funds by withholding amounts from future remittances. This month we're providing examples of circumstances under which recovery for lab-test costs may be sought by the ministry.

While most physicians will not be impacted, those practising wellness or lifestyle medicine may want to be sure that they are ordering and billing lab tests in keeping with the Act.

Preamble C.1 of the *Doctors of BC Guide to Fees* states:

“Benefits” under the Act are limited to services which are medically required for the diagnosis and/or treatment of a patient, which

are not excluded by legislation or regulation, and which are rendered personally by medical practitioners or by others delegated to perform them in accordance with the Commission's policies on delegated services.

Services requested or required by a “third party” for other than medical requirements are not insured under MSP. Services such as consultations, laboratory investigations, anesthesiology, surgical assistance, etc., rendered solely in association with other services which are not benefits, also are not considered benefits under MSP, except in special circumstances as approved by the Medical Services Commission (e.g., Dental Anaesthesia Policy).

The following examples describe situations in which the laboratory service would *not* be considered a benefit:

- A physician performs a pre-employment examination for a recruit from the local fire department. A CBC, lipid profile, and liver function tests are required as part of the employer's pre-employment package.
- Ms Jones brings a list of tests that her naturopath requested of her physician and asks the physician to order the tests.
- A physician is performing a cosmetic procedure on a patient who is on anticoagulants and orders a CBC and INR.
- Mr Smith, age 35, goes to see his physician for an annual physical with no medical indication. The physician bills MSP for the complete exam and orders a CBC, BUN, creatinine, TSH, calcium, and liver function tests. In this case, the costs of both the visit and the lab tests could be recovered from the ordering physician.

This article is the opinion of the Patterns of Practice Committee and has not been peer reviewed by the BCMJ Editorial Board. For further information contact Tara Hamilton, audit and billing advisor, economics, advocacy and negotiations, at 604 638-6058 or thamilton@doctorsofbc.ca.



- A physician in a wellness clinic (i.e., a facility devoted to the promotion of healthy living and the prevention of illness and disease) faxes a lab requisition to the lab prior to seeing a patient. The following tests are ordered:
- Male patient: CBC, ferritin, Macro +/- micro urine, fbs, A1C, lipid profile, TSH +/- T4, Na, K, ALT, GGT, eGFR, PSA (the PSA is patient pay), LH, FSH, estradiol, total testosterone, DHEAS, hs-CRP, anti-TPO, homocysteine, IGF-1.
- Female patient: CBC, ferritin, Macro +/- micro urine, fbs, A1C, lipid profile, TSH +/- T4, Na, K, ALT, GGT, eGFR, LH, FSH, prolactin, estrogen, progesterone, testosterone, DHEAS, hs-CRP, anti-TPO, homocysteine, IGF-1.

Previously, in order to recover funds from the ordering physician, the Medical Services Commission would have to prove that the tests ordered were not medically necessary. Under the Laboratory Services Act, it may be up to the physician to prove the tests ordered *were* medically necessary. ■

—Janet Evans, MD, CFPC, FCFP
Chair, Patterns of Practice Committee