

**ST. DAVID'S HEALTHCARE PARTNERSHIP  
MEMORANDUM**

To: St. David's Healthcare Partnership Medical Staff

From: St. David's Healthcare Partnership Laboratory Group  
E. Randy Eckert, M.D. Lynn Roher, MT (ASCP)  
Les Dalton, M.D. Linda Coover, MT (ASCP)  
Jacqueline Haas, M.D. Kiran Patel, MT (ASCP)  
Craig Peterson, M.D. Tom Williamson, MT (ASCP)  
Michael D. Brown, M.D. Julie Rodriguez, MT(ASCP)

Date: October 15, 2010  
Subject: Laboratory Billing Compliance Update & Laboratory Reflex Testing

Since 1998, our laboratories have complied with federal regulations requiring a Laboratory Billing Compliance Plan. Additionally, our parent company HCA signed a Corporate Integrity Agreement (CIA) with the Office of the Inspector General (OIG) of the Department of Health and Human Services in January of 2001. The CIA is an agreement between HCA and the OIG that requires HCA to engage in certain business practices providing assurances that HCA complies with laws and regulations governing federal healthcare programs. One of the four audit work plans outlined in the CIA relates to laboratory billing. We, in addition to an outside organization, continue to audit our success with the Laboratory Billing Compliance Program annually, and the audit results are given to the OIG.

There are various aspects of the plan that we are required to communicate to the physicians annually. Some of these, such as protocol orders and reflex testing, will be done at the facility level. Others, such as education on policies and procedures, physician acknowledgment form, medical necessity, etc. we continue to conduct at the partnership level. It is our hope that we can work together to minimize our risk and your risk of Medicare fraud and abuse.

Since last year at this time, there have been no substantial changes in the program requiring communication to you. However, we do want to include two items for your review. The first item is a summary of the most current laboratory billing related policies and procedures adopted to comply with CMS regulations. The second item is a Physician Notice Regarding Medical Necessity and Compliance pamphlet that provides information about medical necessity.

Should you have any questions or comments, please do not hesitate to contact any of the Directors or Laboratory Medical Directors at the St. David's Healthcare Partnership facilities.