



HEALTH SCIENCES ASSOCIATION
The union delivering modern health care
300-5118 Joyce Street, Vancouver, BC V5R 4H1 hsabc.org

Questions & Answers about Bill 7, the *Laboratory Services Act*

What is Bill 7, the Laboratory Services Act?

- Bill 7, *the Laboratory Services Act* was introduced in the BC Legislature by the Liberal government on February 17, 2014, and is currently at the stage of first reading.
- The proposed legislation makes significant changes in several areas, including:
 1. Legislative framework
 2. Governance
 3. Funding models.

What changes are made to lab services under this legislation?

1. Legislative framework:

Currently, in-patient lab services are governed by the *Hospital Insurance Act*, and related regulations. Out-patient lab services, whether delivered by a hospital, or by a public, non-profit or a private, for-profit, lab in the community, are governed by the *Medicare Protection Act* and related regulations.

Bill 7 deals only with lab services, and will govern all publicly-funded lab services in the province, both in-patient and out-patient, wherever they are delivered and whether the provider is a public, non-profit or a private, for-profit lab.

Bill 7 applies the same principles as the *Medicare Protection Act* (i.e., the 5 principles of the *Canada Health Act*, plus BC's 6th principle of "sustainability").

2. Governance:

Bill 7 gives the Minister of Health extensive decision-making authority in respect of lab services. It also provides that he may establish or designate 1 or more administrative bodies to administer the Act.

3. Funding models

Currently, in-patient lab services are funded from hospitals' global budgets and account for about \$300 million of total lab costs. Out-patient lab services are paid by the Medical Services Plan on a fee-for-service basis and account for about \$322 million of total lab costs (approximately \$221 million to private, for-profit labs, and \$101 million to public, non-profit labs). Fees for out-patient lab services are an important revenue source for many hospitals and other public facilities.

Bill 7 allows a variety of funding models to be used for either in-patient or out-patient lab services. A major goal of the new legislative framework is to reduce the cost of lab services, while maintaining the quality of patient care.

What will these changes mean for patients?

- No changes are expected in respect of which lab services are publicly funded. The current rules will apply, and will continue to prohibit billing patients directly, extra-billing patients or double-billing both patients and the provincial government. Private insurance for lab services that are publicly funded will continue to be prohibited.
- The number of locations offering certain types of lab services, and the number and location of "Specimen Collection Stations" may change. These changes may mean some patients will have to travel to new locations for at least some lab services.

What will these changes mean for HSA members?

- At this point, it's not clear how the legislation will affect either the proportion of lab services delivered by the public, non-profit labs where HSA members work, the number and location of these labs, or the range of services any of these labs provide.
- Government has indicated they expect it will take approximately 3 years to implement the new legislation, and that they will consult with stakeholders during this process. HSA expects to be one of these stakeholders.
- HSA will work with members to monitor the implementation of this legislation, and to make the strongest case possible for delivering lab services in public, non-profit labs.