

To: All URMFG Faculty and Community Providers

From: Raymond J. Mayewski, MD
Chief Medical Officer

Steven I. Goldstein
Chief Executive Officer

Date: January 21, 2011

RE: New Policy Regarding Ordering of Send-Out (Reference Laboratory) Tests

On November 13, 2010, you received a memo from Paul Levy, MD, Chair of the Laboratory Diagnostics Committee (**LDC**) informing you of new policy decisions relating to certain send-out diagnostic tests ordered through URMFC Clinical Laboratories. **These policies include:**

1. ARUP, a nationally recognized high quality and service oriented reference lab-testing vendor, will be URMFC's reference lab testing facility of first choice. For diagnostic tests currently being ordered but not available through ARUP or their associated network of testing facilities, URMFC will continue to procure and process specimens but only if the test requested is available from a NYS approved facility. Because of regulatory, medical and legal risks, URMFC labs will no longer manage non-NYS approved send-out test requests.

2. Ordering providers have, on occasion, specified the reference laboratory where they want a specific send-out test performed. This practice will no longer be permitted.

3. A URMFC Labs "Formulary" of Approved Laboratory Diagnostic Tests was established (access at www.urmcclabs.com). Only those tests listed in this formulary can be ordered through URMFC Labs. Requests for addition of a new diagnostic test to this formulary will require prior formal review by a select LDC-appointed subcommittee of faculty with expertise in the associated area of clinical medicine. Based on recommendations of this review committee, LDC will make a final determination regarding addition of a new test to the approved URMFC Labs formulary.

We are *now* writing to inform you of an important new policy related to ordering certain tests performed by reference laboratories (i.e., laboratory tests performed by facilities outside of our health system). As you know, the number of clinical tests being developed by research groups, industry and other institutions is growing rapidly. Very often, the medical indications and interpretation of these tests are very nuanced or not yet known. In addition, these tests are heavily marketed to providers despite minimal or inconclusive data supporting their use.

Given the above, effective February 1, 2011, URMC is adopting the policy that certain reference lab tests will not be generally available. Only physicians who hold a faculty appointment at the University of Rochester can order these tests through URMC Labs. Furthermore, for these tests, the ordering physician must obtain preapproval from URMC Labs by providing a signed certification of medical necessity for the test.

ATTACHMENT 1 details which of the send-out tests can be ordered only by physicians who are University of Rochester faculty. ATTACHMENT 2 contains the new URMC Labs test requisition to document medical necessity for the ordered test and should be completed by the URMC faculty member caring for the patient. This list will not doubt be revised frequently as new information and new tests become available.

While we hope that this policy does not have a significant impact on your clinical practice we realize there may be some providers with concerns. These efforts are specifically aimed at better aligning the use of these reference laboratory tests and our patients' medical needs, while also being cognizant of their increasing costs. Below are frequently asked questions we anticipate providers may have resulting from this policy change:

Q. Why is URMC adopting this policy?

A. The Laboratory Diagnostics Formulary Committee has analyzed data regarding reference laboratory test utilization. We have found utilization patterns that suggest frequent use of tests with questionable clinical benefit as well as over-utilization of some tests.

Q. If send-out tests are covered by payers, why is URMC restricting access?

A. RMC is carefully preparing for the future and trying to do our part to control healthcare costs. Many of these tests are not only expensive but also frequently reimbursed by payers at rates less than what a reference laboratory charges. Thus, the costs borne by our patients as well as our healthcare system are significant.

Q. Does this policy mean I will not be able have access to these tests to meet the needs of my patients?

A. No. Providers have several options. Given the unique clinical issues linked to the need for reference laboratory testing, we recommend providers work closely with specialist providers at URMC or elsewhere in the Rochester area with expertise in the subject area of concern. These subspecialty providers can help gauge the relative need for and value of the test(s) and, in some cases, may be authorized to order such tests for patients they personally evaluate. Alternatively, providers may elect to send the clinical specimen directly from their own office to the reference testing facility or make arrangements with another laboratory service provider in the region that may be willing to process the specimen.

Q. If a provider has a specific concern with this policy, is there an appeal process?

A. Yes. Providers may appeal by writing to the Laboratory Diagnostics Committee at: LDC@urmc.rochester.edu. The Committee will review your appeal. Resolution may include asking that you attend one of our subsequent meetings to discuss your specific concerns.

/attachments

c: Paul C. Levy, M.D., Charles A. Dewey Professor and Chair, Department of Medicine
Chair, Laboratory Diagnostics Committee

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