





GOVERNMENT OF  
NEWFOUNDLAND AND LABRADOR

Department of  
Health and Community Services  
Physician Services Division

VICE PRESIDENT

DEC 7 2005

MEDICAL SERVICES

December 1, 2005

Dr. R.J. Williams  
Vice President, Quality, Diagnostic  
and Medical Services  
Eastern Regional Integrated Health Authority  
300 Prince Philip Drive  
St. John's, NL A1B 3V6

Dear Dr. Williams:

**Re: Adult Pathology Services, Health Sciences Centre and St. Clare's**

This letter is in follow-up to your correspondence dated November 03, 2005 and our meeting on November 23, 2005 regarding anticipated physician resource challenges in Pathology, and more particularly for the next nine (9) months.

Discussions indicated that due to vacancies, planned retirements and delays in recruitment, the Pathologists who normally provide adult services in the above two facilities will be approximately 25% less than historical, from now until September, 2005. In light of these shortages, it has been confirmed with current staff that they are unable to assume the additional workload required to report in a timely fashion, even with consideration of additional payments through some alternate payment plan.

As a result, the Executive have authorized your organization to pursue the issue of sending Pathology specimens out of the province for a period of time, for professional interpretation – estimated to be in the range of 600 cases/month. I understand that preliminary inquiries suggest that the Montreal General may be able to meet some or all of the short term need.

January 27, 2006

Dr. Don Cook  
Clinical Chief  
Laboratory Medicine Program  
The Eastern Health Authority (EHA)  
300 Prince Philip Drive  
St. John's, NL A1B 3V6

Dear Dr. Cook

**Re: Pathology Services for EHA**

Further to our discussions, we are writing to set out the terms on the basis of which Gamma-Dynacare Medical Laboratories ("GDML") will provide interpretive pathology services to the Eastern Health Authority ("EHA"). It is intended that once it is signed on behalf of the EHA, this letter shall constitute a formal agreement between the EHA and GDML.

The following sets out the terms of our agreement:

**1. BASIC MUTUAL OBLIGATIONS**

- a. GDML shall provide EHA with the services described in Schedule "A" attached to this letter in accordance with the service standards and at the prices set out below;
- b. So long as GDML is in compliance with its obligations, EHA shall use GDML exclusively to provide such services as a back-up to pathology services provided by Pathologists employed by EHA in EHA's facilities.

**2. TERM**

- a. The term of this agreement is six months from its commencement date;
- b. The term shall commence on the third working day following the execution of this letter by EHA.
- c. The term of this agreement may be extended for one additional year upon the mutual written consent of the parties.

**3. PRICING**

- a. Prices for the direct pathology services set out in Schedule "A" shall be the amounts applicable at the time the service is rendered under the Schedule of Benefits published from time to time by the Ontario Health Insurance Plan. The amounts currently applicable are set out in Schedule "B" appended to this letter;

- b. The pricing referred to in the section immediately preceding, apply to services rendered for the purpose of providing Pathology services. Any other purposes, such as clinical trials shall be priced separately, depending on the applicable requirements in each case.
- c. EHA shall pay all amounts due within 30 days of invoice date following which all amounts outstanding shall bear interest at 1.5% per month (18% per annum).

#### 4. SERVICE STANDARDS

- a. Pathology interpretations will generally be reported within 4 to 6 working days from receipt at GDML's laboratory in Ottawa Ontario. In the event other services are required, GDML and EHA will establish mutually acceptable turn around times for such tests.
- b. Subject to the provisions of section 5 below, reports will be dictated by GDML and dictation cassettes returned to EHA for transcription into EHA's laboratory information system (LIS). GDML Pathologists will verify and complete transcribed reports by way of electronic signature into EHA's LIS. GDML Pathologists shall be responsible for all signed-out cases.
- c. GDML shall ensure that:
  - i. Pathology interpretations are performed only by duly qualified pathologists certified as a specialist in Anatomic and/or General Pathology by the Royal College of Physicians and Surgeons of Canada or eligible to write the Royal College exams, and licensed as a physician in Ontario; and that
  - ii. All pathologists retain their membership in the Canadian Medical Protective Association.
- d. GDML will observe and comply with all applicable professional and legal requirements in the provision of its services, including without limitation the requirements of legislation protecting the privacy of information, WHMIS, employment standards,
- e. GDML's pathologists will provide consulting services as required, in respect of pathology interpretations provided by them

#### 5. TRANSPORTATION AND INFRASTRUCTURE

- a. The transportation of specimens and the provision of necessary supplies for the collection, handling and transportation of specimens shall be EHA's responsibility at its own cost, however, GDML shall assist EHA in establishing the necessary protocols and procedures with respect to the handling and transportation of slides.

- b. EHA at its own expense, will provide GDML with and maintain the hardware, software and telecommunication lines required to permit GDML to access reports electronically into EHA's laboratory information system.

#### 6. EARLY TERMINATION

In the event of any default by either party (the "Defaulter") of its obligations under this agreement, the other party may provide written notice of such default to the Defaulter and if the Defaulter fails to cure such default within 15 days of the receipt of such notice, the non-defaulting party may terminate this agreement by written notice to that effect.

#### 7. FORCE MAJEURE

If either party is prevented from carrying out its obligations under this agreement as a result of any occurrence over which it has no control (including, without limitation, governmental action, the action of the elements, strikes, lock-outs, the unavailability of labour or supplies) then the time limit for the carrying out of such obligation shall be extended until such event is remedied.

#### 8. NOTICES

Any notice that either party may be required or may desire to give may be by personal delivery, telefax or registered mail and shall be conclusively deemed to have been received by the addressee on the date of delivery, if delivered personally, on the date on which it is faxed or on the fourth business day (i.e. a day other than a Saturday, Sunday or statutory holiday in the addressee's jurisdiction) following the date on which it is mailed if applicable

if to EHA at:

Address: 300 Prince Philip Drive,  
St. John's, NL  
A1B 3V5

Attention: Dr. Don Cook, Clinical Chief  
Laboratory Medicine Program  
[Donald.cook@easternhealth.ca](mailto:Donald.cook@easternhealth.ca)

Terry Gulliver, Regional Director  
Laboratory Medicine Program  
[Terry.Gulliver@hccsj.nl.ca](mailto:Terry.Gulliver@hccsj.nl.ca)

Barry Dyer, Manager of Anatomical Pathology, LIS  
Coordinator Laboratory Medicine  
[Barry.Dyer@hccsj.nl.ca](mailto:Barry.Dyer@hccsj.nl.ca)

Telefax number: (709) 777-8625  
And if to GDML at:

Address: 750 Peter Morand Crescent,  
Ottawa, ON  
K1G 6S4

Attention: Marc LeBoutillier, Vice-President  
Eastern Ontario and Quebec  
[leboutillierm@gamma-dynacare.com](mailto:leboutillierm@gamma-dynacare.com)

Sue Clipsham, Assistant Clinical Lab Director  
[clipshams@gamma-dynacare.com](mailto:clipshams@gamma-dynacare.com)

Telefax number: (613)-729-1127

#### 9. GENERAL CONTRACT PROVISIONS

- a. Each party agrees that upon the written request of the other party it will do all such acts and execute all such further documents, and will cause the doing of all such acts and will cause the execution of all such further documents as are within its power to cause the doing or execution of, as the other party hereto may from time to time reasonably request be done and/or executed in order to better evidence, perform and/or fulfill any of the provisions hereof or any of the rights, powers, discretions, duties and obligations intended to be created hereby and/or in order to effectuate any provision hereof or of any such further document.
- b. This agreement sets forth the entire agreements and understandings of the parties hereto in respect of the subject matters hereof and supersedes all prior agreements, arrangements and understandings relating to such subject matters. No representation, promise, inducement or statement of intention has been made by either party hereto relating to such subject matters which is not embodied in this agreement.
- c. This agreement may be amended, modified, superseded or cancelled, and any of the terms herein contained may be waived, only by written instrument executed by the parties hereto or, in the case of a waiver, by the party so waiving. The failure of either party hereto at any time or times to require performance of any provision hereof shall in no manner affect the right of such party to require such performance at a later time. No act or omission of either party hereto, other than an express written waiver signed by such party, shall constitute a waiver by such party of any breach of this agreement or of the provision of this agreement so breached. No waiver by a party hereto of the breach of any provision hereof, in any one or more instances, shall be deemed

to be or construed as a further or continuing waiver of such breach or as a waiver of the provision hereof so breached.

- d. Time shall be of the essence of this agreement and of each and every matter and thing herein provided for.
- e. Any provision of this agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this agreement or affecting the validity or enforceability of such provision in any other jurisdiction.
- f. As used herein the words "herein", "hereof", "this agreement" and similar expressions refer to this agreement as a whole and not to any particular portion hereof unless the context otherwise clearly requires; all headings and any subheadings appearing herein are inserted for convenience of reference only and shall not be considered in any interpretation hereof; and the neuter gender includes the masculine and feminine genders, and vice versa, and the singular includes the plural, and vice versa, where the context reasonably permits. The provisions hereof shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, assigns and other legal representatives.
- g. This agreement shall be open for acceptance until 4:00 P.M. on the 1<sup>st</sup> day of February, 2006 following which, if it has not been executed by all parties, it shall be null and void and any amounts paid by any party pursuant to any provision shall be returned to such party without interest or penalty.

We trust that you will find the foregoing satisfactory. Please execute and return to us the enclosed duplicate of this letter to indicate your agreement.

**GAMMA-DYNACARE MEDICAL LABORATORIES**

Per: Marc LeBoutillier  
Vice-President, Eastern Ontario and Quebec

The Eastern Health Authority confirms its acceptance of the terms set out in this letter.

**EASTERN HEALTH AUTHORITY**

Per:

Name:

Title:

*Terry Gulliver*  
**TERRY GULLIVER**  
**DIRECTOR LABORATORY MEDICINE PROGRAM**

I have authority to bind the corporation

Per: 

Name:

Title:

I have authority to bind the corporation

DATE: Feb 7/06



**SCHEDULE "A"****SERVICES****SERVICES REQUIRED****Direct Pathology Services**

GDML will provide:

- a) Interpretation of surgical slides for pathology examination.
- b) Interpretation of Immuno-histochemistry per marker

**Indirect Services**

GDML will:

- a. contact ordering physician if necessary.
- b. ensure that accurate test reports are prepared and received by the EHA on a timely basis with appropriate dictation system provided by EHA.
- c. provide advice and recommendations to EHA as requested.
- d. assist as requested in ensuring that the laboratory service meets accreditation standards.
- e. provide advice and consultation, if requested, on the following activities in respect of GDML's direct pathology services:
  - i. equipment selection
  - ii. test methodology selection
  - iii. test development
  - iv. quality control
  - v. troubleshooting
  - vi. safety practices
  - vii. record keeping
  - viii. laboratory policies
- f. maintain standard pick-up and delivery schedules in coordination with transport agents and EHA in order to minimize turnaround times
- g. track and report turnaround times
- h. maintain specimen tracking and coordination with EHA specimen tracking system

## SCHEDULE "B"

## FEE

|   | Fee      |
|---|----------|
| <b>L839 Simple Specimen</b><br>Simple specimen includes gross and, where necessary, microscopic examination and interpretation of tissues requiring less time, effort and professional responsibility than the next category. A simple specimen will ordinarily include tissue considered by the physical to be normal (e.g. uterine tubes, vas deferens, hernial sac).   | \$19.80  |
| <b>L821 Small and Uncomplicated Specimen</b><br>Small and uncomplicated specimen includes small pieces of tissue or tissues thought to be abnormal which carry more professional responsibility and effort than simple specimen, and in which the number of slides is minimal.  | \$26.05  |
| <b>L840 Curettings or Specimen Requiring Multiple Slides</b><br>Curettings or specimen requiring multiple includes specimens such as prostatic curettings, uterine curettings, or a specimen requiring multiple slides. The latter category includes specimens requiring secondary review of block levels, special stains, and/or internal consultation.  | \$49.35  |
| <b>L837</b><br>Immunohistochemistry interpretation – per marker   | \$11.85  |
| <b>L851 Organ or Large Specimen</b><br>Organ or large specimen includes partial or entire organs with or without adjacent tissue but without complex dissection (e.g. segment of stomach, ulcers).  | \$73.95  |
| <b>L852 Complex Small or Large Specimen</b><br>Complex small or large specimen includes complex diagnostic biopsies in which the physician time/expertise required for dissection and interpretation is substantially above that pertaining to previous categories. This includes some biopsies of kidney, liver, muscle, lymph nodes, etc. As well as extensive biopsies such as cervix cone biopsies, organs and adjacent tissues (e.g. up to six lymph nodes). | \$118.35 |

**1. Examples**

| Type of Specimen          | Level             | L Code | Routine SP Stain |
|---------------------------|-------------------|--------|------------------|
| Skin                      | 1 Level           | 821    |                  |
| Ellipse (one block)       | 1 Level           | 821    |                  |
| Ellipse (multiple blocks) | 1 Level per Block | 840    |                  |
| Punch (each specimen)     | 3 Levels          | 840    |                  |
| G1 Biopsy                 | 3 Levels          | 840    | Diff Quik        |
| Cervical Biopsy           | 3 Levels          | 840    |                  |
| EEC                       | 2 Levels          | 840    |                  |
| Endometrial               | 1 Level           | 840    |                  |

Jan 26, 2006