December 14, 2006

PRIVATE & CONFIDENTIAL

Dr. Oscar Howell Vice President, Medical Services and Diagnostics Eastern Health c/o Administration, Health Sciences Centre 300 Prince Philip Drive St. John's, NL A1B 3V6

Dear Dr. Howell:

I am writing in follow up to the discussion we had several weeks ago on a number of issues including laboratory services. As we discussed, this issue is one to which I had given a lot of thought to in the past and which has been the subject of some recent follow up I have done.

Earlier this year, I had spoken to Dr. Harold Richardson who was Managing Director of the Quality Management Program – Laboratory Services (QMP – LS) for the province of Ontario. He seemed to be receptive to having Eastern Health become part of that process. I also spoke to Mr. Tilley regarding Eastern Health becoming part of the process and subsequently alluded to the program at one of my monthly meetings with the Laboratory Medicine Program Leadership. Mr. Gulliver was to pursue enrolling our Laboratory Program with the Ontario Program.

I have attached a recent article from the Ontario Medical Review on QMP-LS: It is a good overview article. As the QMP-LS has two areas, an accreditation component and an ongoing proficiency testing component, I feel it would serve us well and ensure our laboratory functions at the highest level compared to the other jurisdictions across the country. I feel this should be pursued so that our Laboratory Program is enrolled in 2007.

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Given the events that have occurred in the Laboratory Medicine Program with estrogen receptor testing, I followed up on the matter of structure and reporting responsibilities in similar organizations within the province of Ontario. I did this with Dr. Greg Flynn who recently replaced Dr. Richardson. Based on our recent experiences, I had some concerns with reporting relationships and the program management structure that was implemented in the mid 1990's with the Health Care Corporation of St. John's. I began to sense that the current structure being applied may not serve the Laboratory Medicine Program and, thus, Eastern Health when one considers issues of quality and overall responsibility for the ultimate end product of our Laboratory Program. This issue formed the gist of my discussion with Dr. Flynn. This is not an issue of individuals in the various leadership roles since the Laboratory Medicine Program's inception in 1996, but rather one of structure and responsibility design.

Prior to the inception of the Health Care Corporation, several of the laboratories of the predecessor organizations had a little different structure and responsibility design which appeared to serve them well. This warrants consideration as we plan for the future. As well, in my discussion with Dr. Flynn, it appears that the responsibility for the overall quality component of laboratories in Ontario rests with the medical leadership in the laboratory. Physicians in laboratory leadership roles are responsible for overall medical leadership and all facets of quality and results in the laboratory. The medical leader spends from 70-80% of his/her time on leadership, quality and administrative functions, and 20-30% on clinical duties. This is in contrast to clinical chief roles within this organization, where clinical duties occupy most of their time. In Ontario, the administrative leader is responsible for all aspects of human resources (e.g. training, staffing, recruitment, issues) and overall budgetary monitoring. The laboratory clinical leaders deals with medical staffing issues and quality primarily, but has overall responsibility for all aspects of the laboratory operation.

It is my view that we should give careful consideration to these comments gleaned from our past approaches and the current approach as outlined by Dr. Flynn in Ontario. We need to fix the responsibility for overall laboratory quality in one position; and, if that position is the clinical chief, we then need to free up the appropriate time and train the individual selected to assume these duties. The administrative leader would still have major duties in a large organization such as Eastern Health, but the responsibility for quality would rest with one person with a medical background in Laboratory Medicine.

I haven't discussed this approach with anyone in the Laboratory Medicine Program. If you think it is worthy of consideration, then I would appreciate an opportunity to discuss this approach with you and others, as necessary, to discuss the rationale in more detail before exposing it outside you, Mr. Tilley and Ms. Pilgrim.

Yours sincerely,

R.J. WIALIAMS, M.D., M.P.H.

/dd Attachment