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Department of Health Services—Item 4260-111-0001

Clinical Laboratory Oversight Trailer Bill Language

May 31, 2006

We recommend approval of the uncodified trailer bill language adopted by the Senate:

The Bureau of State Audits (BSA) shall conduct an audit during the 2007-08 fiscal year of the Department of Health Services (DHS) clinical laboratory oversight programs to assess DHS practices and procedures for enforcing state laws and regulations for the licensing, certification, and registration of clinical laboratories.

This assessment shall include, but not be limited to, a review of the extent and effectiveness of DHS practices and procedures in regard to: (1) detecting and determining when clinical laboratories are not in compliance with applicable state laws and regulations, (2) investigating cases of possible noncompliance, including, in particular, the investigation of consumer complaints filed with the department against clinical laboratories, and (3) imposing appropriate sanctions on clinical laboratories that are found not to have complied with state laws and regulations. The BSA audit shall review, in particular, the frequency and extent of the use by DHS of its existing authority to assess and collect civil fines, refer violators for criminal prosecution, bar participation from state and federally funded health programs, and use any other means available to enforce state law and regulations for clinical laboratories. Finally, the BSA shall report its recommendations, if any, for improvement of state oversight of clinical laboratories.

The results of that audit shall be reported to the chair of the Joint Legislative Budget Committee and the chairpersons of the fiscal committees, health policy committees, and the business and professions committees of both houses of the Legislature by October 1, 2008.