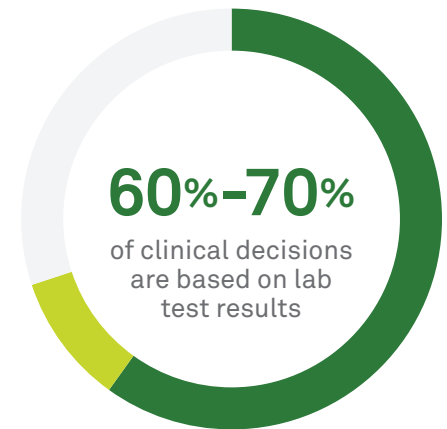


How an integrated laboratory strategy can support health system goals

Introduction

In every health system, clinical laboratory testing has a profound impact on diagnostic and treatment decisions made by healthcare providers.¹ Each year in the US, 14 billion diagnostic tests are performed, and roughly 60%–70% of clinical decisions are based on those results.^{2,3}

In the past, many hospital laboratories have operated independently. But today's healthcare leaders are realizing that efficient and reliable labs are essential to creating more resilient and profitable health systems. Because the lab connects to almost every goal and initiative related to the delivery of affordable, high-quality care, more alignment and integration are needed to improve operational efficiency and patient outcomes.



This paper explores how an integrated lab strategy can contribute to 2 health system goals:

1 Improve operational efficiency and drive revenue growth

2 Improve and standardize quality of care

It also includes questions that health system and hospital leaders can ask themselves and their teams as they develop their lab strategy now and in the future.

Goal 1: Improve operational efficiency and drive revenue growth

When determining how an integrated lab strategy can support your operational and economic goals, it's important to first understand the financial role your lab plays across your organization. Questions to get you started include:

- Do you view your lab as an asset or a liability?
- In what ways is your lab currently driving operational efficiency? In what ways is it driving revenue?
- What are the current measures of success for your lab?

Considerations

Evaluate the current state of your lab infrastructure—this includes reviewing your assets and liabilities, such as equipment, technology contracts, real estate, staff, and data, as they relate to health system revenue and your ability to build, serve, and retain future patient populations. Assess your lab's future and its projected returns based on advances in laboratory science. And be sure to consider the combination of point-of-care and core lab technology—how these technologies are trending and how they might integrate with current and future service lines.



Evaluate outsourcing vs in-house models and partners—a recent survey of hospital CEOs conducted by the American College of Healthcare Executives reveals that 83% of respondents are concerned about lab technologist shortages.⁴ Given this hurdle, it's important to identify your core competencies and consider the economics of outsourcing versus building up your in-house lab, from leadership to technicians and everyone in between. You can also evaluate your lab's current mix of in-house testing and send-out testing to optimize staff and costs; for example, due to staff shortages, it could be more cost-effective to send out more of your lab's advanced testing. Depending on the nature of the testing and your lab's capabilities, this could also positively impact turnaround times, which will in turn positively impact patient care.

Evaluate how your lab drives operational efficiency across the hospital—this includes assessing how integrated your lab data are with your EMR/EHR, clinical decision system, and/or telehealth tools. How easy is it for clinicians and patients to access this data when they need it? And what is the state of your current lab stewardship efforts? Review your approaches and strategies to identify areas for efficiency enhancements and cost savings (eg, outdated or expensive tests that clinicians may be ordering incorrectly). It's also useful to assess how quickly your clinicians are able to diagnose complex conditions based on how and when they receive the diagnostic results they need.

Goal 2: Improve and standardize quality of care

An integrated lab strategy can help improve quality metrics and standardize care to advance your organization's reputation and competitiveness in the marketplace.

Questions to get you started include:

- In which clinical areas do your quality metrics need improvement?
- How integrated and standardized are your lab data sets?
- How standardized is your lab testing as it relates to clinical decision making?

Considerations

Identify the clinical areas where quality metrics need improvement—and how your lab can support your improvement efforts. As mentioned earlier, assess how quickly your clinicians can diagnose complex conditions. How quickly and effectively they can do so impacts both patient satisfaction and health outcomes. In addition to improving the patient experience, a more efficient lab can also improve clinicians' lives, supporting their care decisions and potentially reducing burnout while enhancing retention.

Evaluate the currency and standardization of your lab's data sets—and how available they are. Determine whether your clinicians can access their patients' diagnostic history quickly and in an easy-to-read way. Consider how equitable your health data infrastructure is, and if there are gaps, think about how you might use lab data to help fill them.

Evaluate the standardization of your lab testing and clinical decision making—lab stewardship efforts can help you improve quality across different hospitals and primary care groups. By connecting physicians, lab administrators, and medical leadership with actionable, real-time lab data, you can create a team approach to improving overall test utilization. This approach can standardize testing and help clinicians get to the right diagnosis faster and start treatment sooner for better patient outcomes.

Additional considerations

As you continue to shape your health system's integrated lab strategy, below are some additional thoughts as well as questions to ask yourself and your teams.

Consider the pace of change and how your lab is positioned to take advantage of it. Determine what's just hype versus what your health system can realistically achieve to address the needs of your lab and health system.

How might precision medicine affect your lab infrastructure? It's worth assessing how your lab and health system will adapt as testing becomes more advanced, personalized, and/or expensive.

How reliable is your supply chain? While the pandemic underscored its importance, a reliable healthcare supply chain is one of the most important factors in ensuring both your clinicians and your patients have regular access to lab services. While faulty supply chains can lead to suboptimal treatment and lengthier hospital stays,⁵ a high-performing supply chain function can improve care, increase provider satisfaction, reduce supply spend by up to 10%, and better position your health system to achieve its goals for growth.⁶

Evaluate your lab teams to determine whether to complement, expand, or shrink your workforce. Questions to consider include: How do you make capital equipment decisions? What's the cultural value of the lab? Which clinical relationships value the core lab most, and why?

Conclusion

In a post-pandemic healthcare environment, your lab can be a way to connect feasible, practical optimizations to critical system goals. The first step to system impact is seeing the connections—from optimizing lab data for faster clinical care decisions to outsourcing lab testing for cost savings. An integrated lab strategy can support these connections, helping enhance efficiency, reduce costs, and improve the quality of care across an entire health system.



Supporting your integrated lab strategy through a supply chain partnership

Quest Diagnostics is eager to understand your lab challenges, answer your questions, and find new ways to support your health system.

Schedule a meeting at [QuestDiagnostics.com/SupplyChain](https://www.questdiagnostics.com/SupplyChain).

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