


Moving the Cheese – Why do I have to Change?

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DISCLOSURES

No Financial Disclosure
 No Conflict of Interest

OBJECTIVES



- Describe why laboratory tests are being centralized within a health care system
- Discuss the benefits of standardizing laboratory testing and equipment within a health care system
- Identify ways that laboratory staff can play a role in utilization management

MY INSPIRATION FOR THE TALK

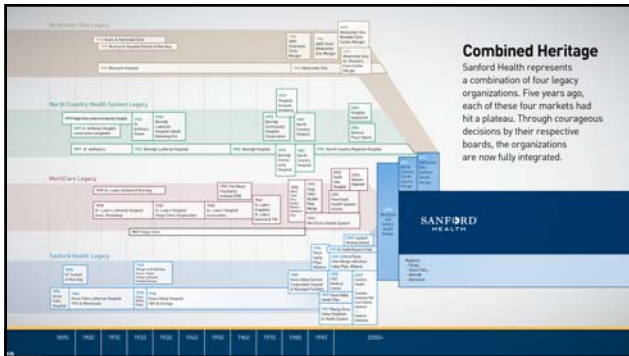


Who moved my cheese?
 What is "centralized testing"?
 What is "standardization"?
 When did my cheese move?
 What is "utilization management"?
 Why did my cheese move?
 What???

ABOUT SANFORD

- Sanford Health is an integrated health system headquartered in the Dakotas.
- 43 hospitals and nearly 250 clinics in nine states and three countries.
- 27,000 employees, including ~1,400 physicians - largest employer in the Dakotas.
- Nearly \$1 billion in gifts from philanthropist Denny Sanford have allowed for several initiatives, including global children's clinics, genomic medicine and specialized centers researching cures for type 1 diabetes, breast cancer and other diseases.



WHO BELONGS TO A HEALTH SYSTEM?

Audience Poll

Change Management

From Prosci, Change Management Process:

“The first step in managing change is building awareness around the need for change and creating a desire among employees.”

BUILDING AWARENESS: BURNING PLATFORMS

1. PAMA

PAMA

Section 216(a) of the Protecting Access to Medicare Act of 2014 (PAMA) added section 1834A of the Social Security Act (the Act) which significantly revises the Medicare payment methodology for certain clinical diagnostic laboratory tests paid under the Clinical Laboratory Fee Schedule (CLFS). Beginning on January 1, 2018, Medicare will use certain private payor rate information reported by applicable laboratories to calculate Medicare payment rates for most laboratory tests paid under the CLFS.

-www.cms.gov

BUILDING AWARENESS: BURNING PLATFORMS

1. PAMA
2. Workforce

WORKFORCE

2015 AACC article:

<https://www.aacc.org/publications/cln/articles/2015/november/the-laboratory-workforce-shortage-demands-new-solutions>

Summary:

- Aging/retiring workforce
- School closures
- Lack of student enrollment

BUILDING AWARENESS: BURNING PLATFORMS

1. PAMA
2. Workforce
3. Corporate Expectations

CORPORATE EXPECTATION

- Work together to improve efficiencies
 - Act like a system! (Centralization)
- Reduce costs
 - Utilize group buying power (Standardization)
- Improve provider satisfaction
 - Right test at the right time, order protocols, etc. (Utilization Management)

SO, WE NEED TO CHANGE!

We cannot continue to operate the way we have for the past 50 years!



Change Management

From Prosci, Change Management Process:

“The first step in managing change is [building awareness](#) around the need for change and [creating a desire](#) among employees.”

CREATING A DESIRE

I want to be a part of the change, I can't sit on the side-lines and watch it happen!



2017 Headlines

- [01/26/17](#) Quest Diagnostics Partners With Montefiore Health System to Deliver High-Value, Innovative Laboratory Services
- [05/01/17](#) Quest Diagnostics and PeaceHealth Complete Transaction to Increase Access to Innovative, High-value Diagnostic Information Services in the Pacific Northwest
- [06/26/17](#) Quest Diagnostics and Walmart Team Up to Expand Access to Healthcare Services
- [06/27/17](#) Quest Diagnostics Announces Intent to Acquire Cape Cod Healthcare Outreach Laboratory Business in Massachusetts
- [07/18/17](#) Quest Diagnostics Completes Acquisition of Med Fusion and Clear Point in Texas, Forming National Precision Oncology Center of Excellence
- [09/28/17](#) Quest Diagnostics to Acquire Shiel Medical Laboratory from Fresenius Medical Care
- [09/29/17](#) Quest Diagnostics Completes Acquisition of the Outreach Laboratory Services of Two Hartford HealthCare Hospitals in Connecticut

CENTRALIZED TESTING

Why is Quest successful?

- Perform testing at a lower cost – volume!
- Outsource approx. 20-30% of a lab's testing to a centralized Quest Lab
- Save the hospital 20% of lab's expenses

CENTRALIZATION IDEAS FROM SUCCESSFUL IDN'S

- Clinic Labs – eliminate and/or reduce testing, move to waived only laboratories
- Establish a rapid response lab model in hospital settings
- Establish central testing lab for non rapid response tests (in-source within system)
- Microbiology, Histology, Transfusion Medicine

REDUCING TEST MENUS AT CLINIC LABS

Considerations:

- Size of the practice
- Specialized practices
- Urgent Care or Extended Hours
- Distance/proximity to next highest complexity laboratory (within your system)

Success Story – Mayo Clinic Health System

BENEFITS OF CENTRALIZATION

1. Maximize resources
2. Improve efficiencies
3. Reduce operating costs
4. Reduce capital costs
5. Increase productivity

OTHER IDEAS FOR CENTRALIZATION

Audience Poll

STANDARDIZATION

- All sites in the system use the same vendor for each area of testing
- All sites use the same reference ranges
- All sites use the same QC material
- Shared policies and procedures, method validations, and test implementation check lists

STANDARDIZATION

- Reduce extra build in LIS system
 - Single reference ranges across multiple locations
 - Ability to share QC ranges and create own peer group
 - Able to identify instrument/assay problems sooner
 - Group buying power gets better pricing
 - Partnerships with vendors
- Success Story – ACL Laboratory

STANDARDIZATION

Benefits to the Practice:

1. Ability to establish standard protocols
2. Ease of transferring patients without repeating lab testing
3. Ability to refer to specialty providers without repeating lab testing

SUCCESS STORIES WITH STANDARDIZATION EFFORTS

Audience Poll

UTILIZATION MANAGEMENT

It is a common goal between lab leaders, pathologists, and providers to order the right test for the right patient at the right time!

EXAMPLES OF TEST UTILIZATION EFFORTS

- Eliminating daily orders as an option in the EMR for AM draws
- Set rules for duplicate test ordering
- Identify tests that should be obsolete, and remove them from the test menu
- Build rules to eliminate ordering of tests that should not be ordered together
- Use naming conventions to change ordering habits

Success Story – Henry Ford Hospital in Detroit, MI

UTILIZATION MANAGEMENT

How do you get started?

- Seek support from administration (do you really think they would say “no” to a cost saving opportunity?)
- Form a multi-disciplinary team to work on lab test utilization
- Include lab leaders, physician leaders, pathologist, nursing, and LIS support

UTILIZATION MANAGEMENT

If a UM team is already in place at your facility and lab leadership is not at the table...then
INSERT YOURSELF!!!

- Laboratory staff experience inappropriate ordering and recognize unnecessary send out tests routinely
- You are the experts in laboratory medicine, so speak up and share your knowledge

UTILIZATION MANAGEMENT SUCCESS STORIES

Audience Poll

Questions?

Thank you!