

On-site labs meet health reform goals

Canyon Medical Center improves patient outcomes and revenue

More than a half-million times a year, the physicians and patients of Canyon Medical Center take advantage of the fastest way possible to get the accurate diagnostics results they need. It's a simple matter of geography: Tests are run down the hall, not across town to a centralized lab.

"When the lab is in the physician's office, it's just more efficient and leads to better patient outcomes," says Sue Noon, lab manager for the 10-physician practice, which focuses on internal medicine and pediatrics in Columbus, Ohio.

"Diagnostics is an extremely important tool that doctors embrace," she says. "On-site testing helps them decide faster what's best for patient care. In a half hour, they can get the results back and make a decision, vs. writing an order, sending the patient to a lab somewhere else, and then waiting for the results. Who knows what can happen to the patient in the meantime? That's why health systems that embrace quality care leave the labs in the physician offices."

On-site labs improve the health not only of patients, but of practices as well, according to Noon. In an age of declining reimbursements, the on-site lab at Canyon Medical Center is a viable source of additional revenue. So what are her keys to managing a healthy lab in a small physician practice?

Noon helps ensure her lab's ongoing health in many ways, such as:

- 1** Enhancing **cash flow** by arranging fixed, monthly billing for all supplies.
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- 2** Eliminating **on-site inventory challenges** (such as limited storage space) by having the distributor store supplies.
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- 3** Ensuring an acceptable **return-on-investment (ROI)** for every major purchase, such as capital equipment.
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- 4** Planning ahead for **seasonal needs** (for example, adjusting the inventory levels of flu supplies to anticipate varying demand).
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- 5** Improving **staff productivity** by having the distributor monitor and reorder supplies as needed.



Making an on-site lab work

Noon focuses on mitigating the cost and logistics challenges that would otherwise make an on-site lab difficult to maintain, if not impossible. "Medical centers and physician offices work on very tight budgets and close margins. We're not like hospitals, where you have a lot of money to stock supplies," she says. "If I ordered a three- or six-month supply of reagents, it could cost up to \$100,000. Our doctors would have a heart attack!"