Diagnostics providers seek to do more with leaner lab budgets

Lab diagnostics providers face a tough task: improving patient outcomes while cutting costs.

Their challenge is familiar: providers of all types are facing similar, seemingly contradictory objectives. But laboratory managers say their situation is especially perplexing: lab tests influence an estimated 70% or more of medical treatment decisions, yet account for only a small fraction of total costs.

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Laboratory professionals are responding to these pressures with new efforts to wring more value from every diagnostics dollar.

**Getting physicians on board**

Educating the physicians who order lab tests is critical to maximizing the lab investment, according to Julie Halic, Chief Operating Officer, PeaceHealth Laboratories.

“We’re actively engaging our physicians to make sure that the test they order will give them exactly what they want,” says Halic. “Sometimes they’re ordering an older test, when a newer one is more useful, for example.”

To enlist physicians in her efforts to cut costs, Halic shares information on the costs and utilization levels of diagnostic tests. “We’re able to provide a dashboard along with our tests that include utilization, test information, cost of test, trend data, and so on. We want to make this a sustainable process for our future, and the future is all about information.”

**Targeting chronic illness**

Lab managers are also working to leverage the value of diagnostic tests in preventing and controlling costly chronic conditions. “Chronic diseases are painfully underdiagnosed and undertreated,” explains healthcare policy expert Gunter Wessels of Total Innovation Group, Inc. (TIGI). “Approximately 50% of diabetic patients actually receive hemoglobin A1c tests, which means only half of those with diabetes are controlling their blood sugar.”

**Reaching out to the community**

Labs are also reaching out to expand their reach through community wellness programs.

“We conducted a study where participants received baseline lipid panels and A1c tests. We then provided a test group with electronic monitors and pedometers that helped track their health and activity levels online,” explains Halic. “Unsurprisingly, the test group performed better on improving health metrics compared to the control group who received no such assistance.”

PeaceHealth is now partnering with universities to model its Community Health Study, which incorporates social media and online technology. The programs help at-risk patients maintain regular exercise programs and wellness levels, and allow PeaceHealth to maintain a visible presence in the community.

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Although cost constraints often cause providers to re-evaluate their operating models, targeted community outreach, preventative medicine, and data efforts can help to alleviate or eliminate this pressure altogether.