



Expert perspectives:  
**Rethink diagnostics. Reimagine your lab.**



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# Introduction

## Perspectives to better navigate a new healthcare landscape



It's a uniquely challenging time in healthcare. Health systems and hospitals continue to face a wide range of obstacles—from rising costs and reimbursement reductions to staff and supply shortages to increasingly expensive lab equipment—all while trying to enhance clinical and financial performance.

To address these issues, health systems and hospitals seek scalable solutions that provide more efficiency and less complexity. These solutions may require both a rethinking of laboratory strategy and renewed collaboration between scientists, clinicians, technicians, and lab workers.

We've put together 13 expert perspectives to help system leaders strike an optimal balance of:

- **Clinical excellence** to improve patient outcomes
- **Operational efficiency** to improve the bottom line
- **Workforce effectiveness** to improve productivity and performance

By reimagining lab partnerships, health systems can begin to overcome today's healthcare challenges while reducing costs, driving revenue, and providing high-quality patient care.



## Clinical excellence

Focused on improving patient outcomes every day

Before reading the following expert perspectives, consider how your health system is currently addressing clinical excellence in the lab. Key challenges typically include:

- Streamlining lab operations to improve patient experiences and outcomes
- Better utilizing lab data to optimize resource management
- Finding lab partners who both share values and offer a strong clinical and research background

Now turn the page to start exploring ways to deliver value-based care and advanced diagnostics through better lab collaboration.

# Perspectives for clinical excellence

## Advancing the mission of affordable, accessible care



**Pat Alagia, MD, MS, MBA**

Chief Clinical Officer  
for Health Systems  
Quest Diagnostics

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“I need to make sure I’m making the right decision for every patient who’s dependent on my decision-making and my surgical skills to deliver care. I can’t just be close—I have to be right. And the way I decide how to treat is by using diagnostic tools.”

Improving access to care, strengthening population health, and reducing the cost of care is more challenging than ever for health systems across the US.

Even as physicians remain dedicated to delivering meaningful care, access remains limited for many populations and costs continue to rise. In turn, operational goals have become harder to meet as system-wide financial pressures mount. Clinical leaders must adapt. One way forward is to work with a diagnostic lab partner rooted in research and clinical excellence. A collaborative partner who understands your mission of bringing affordable, accessible care to patients in the community, and who:

- Believes value-based care starts with giving doctors the diagnostic tools they need to provide the right care, right away
- Establishes a plan to leverage diagnostic, therapeutic, analytical, and population-based tools to identify at-risk patients
- Integrates proven best practices and a strategy informed by clinical, research, and scientific viewpoints

### **The best outcomes come through collaboration**

To deliver better patient outcomes, not just any collaboration will do. Health systems and diagnostic lab partners must work together to generate dynamic thinking, apply operational know-how, and forge future-forward tools that enhance clinical care.

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perspective >

# Perspectives for clinical effectiveness

## 3 ways the lab can help lead to more consistent and equitable care



**Mike Lukas**

Vice President and General Manager  
Health Systems  
Quest Diagnostics

“In my experience, identifying and reducing unnecessary testing is the lowest-hanging fruit and yields the greatest short-term savings.”

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Being paid for patient outcomes demands consistency in care and experiences across hospitals. The lab offers rich potential—and low-hanging fruit.

By being more consistent, hospital departments from IT to Cardiology can help move your health system closer to value-based care. But because of its role as a driver of clinical care decisions, the lab can do more than most. Improvements in 3 critical areas can accelerate your transformation:

1. **Overutilization:** Are physicians ordering broad panels when they only need a few?
2. **Underutilization:** Are they overlooking tests that would shorten the length of a patient's stay?
3. **Care variation:** Are similar patients at different hospitals experiencing different treatment protocols?

Addressing overutilization, underutilization, and care variation in lab services across the entire health system can help you define consistent care pathways that yield better care, lower costs, and simplify the practice of medicine. But it's one thing to have a plan and another to execute it. So, build momentum by going for the quick, easy fixes first. And don't worry if the changes feel small compared to your overall goal. Consistency in the lab will have a downstream effect on the quality of care, so the value of these early improvements can snowball.

### **Collaboration is an essential part of value-based care**

Consistent care is more likely when everyone agrees on the process. Be sure to invite senior lab management into care journey discussions. And reach out to leaders at your reference lab as well. Since they work with health systems large and small, they'll have invaluable insights on how to standardize workflows, test codes, panels, and equipment and help you achieve the Quadruple Aim.

# Perspectives for clinical excellence

## Achieving the promise of precision medicine with clinical care pathways



### Yuri Fesko, MD

Vice President of Medical Affairs  
Chief Clinical Officer for Oncology  
Strategic Collaboration  
Quest Diagnostics

“Oncologists look at all the different things that go into weighing, ‘What is the best treatment for my patient?’ There is no one answer. But they need all the information to help make that decision.”

Integrating the promise of precision medicine—a treatment approach that accounts for a patient’s genetics, environment, lifestyle, and other factors—has become critical for many oncology groups.

For health systems, realizing that promise for cancer patients relies on developing clear clinical care pathways that ensure testing is being conducted for the appropriate stage of disease. This includes:

- Aggregating all patient background information and tracking each step from biopsy or resection to results
- Determining a patient’s molecular profile to help decide the most appropriate chemotherapy medication
- Identifying the necessary clinical markers to establish whether an immunologic therapy would be beneficial

### Precision medicine is a course in collaboration

Building clinical care pathways and achieving precision medicine requires strong interdisciplinary collaboration between a health system’s pathology, laboratory, and oncology teams. Together, they can provide actionable clinical insights so oncologists can properly prepare for a patient’s first visit, design an informed treatment plan on Day 1—instead of waiting for test results—and execute the right course of therapy to deliver the best outcome.

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# Perspectives for clinical effectiveness

## Elevating the lab accelerates value-based care



**Pat Alagia, MD, MS, MBA**

Chief Clinical Officer  
for Health Systems  
Quest Diagnostics

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“We all hear doctors talking about being inundated and stressed by best practice alerts. The real value now is that there’s a tool to make this a very seamless sort of proposition. We can engineer the process, so the default is a standardized, best practice, high-quality method of care delivery.”

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perspective >

Defining better clinical pathways, minimizing care variation across diagnosis codes, and lowering costs are critical to achieving value-based care. All 3 happen in the lab.

Our collaboration with Hackensack Meridian Health demonstrates that integrating the lab more completely into clinical decisions is effective because the lab is one of the only departments that touches all aspects of a patient’s experience. It allows electronic health records to highlight divergencies between care paths, ensuring better outcomes the first time; it introduces predictability through evidence-based medicine; and it helps democratize care decisions by alerting general practitioners to actions specialists might take. Inserting the lab into the core of care decisions puts the focus on optimization and efficiency, which are required components of sustainable healthcare.

Engaging the lab more fundamentally will enhance health system capabilities by:

- Identifying health trends and best practices for your community
- Creating more sustainable clinical decision-making processes
- Managing over- and underutilization

### **The goal is better care—collaboration is how we get there**

Quality will increase, and costs will decrease as we move toward better teamwork across the health system and streamline care decisions. Scientists, clinicians, and operations experts working as a team will yield better results as they inform each other’s decisions and actions. And that is the promise—and requirement—of value-based care.

# Perspectives for clinical excellence

## Exploring a new model for university-affiliated medical centers



“We are melding the academic research expertise of the UMass faculty with a large commercial laboratory.”

### Anne Higgins, PhD

UMass Memorial  
Scientific Director, Cytogenetics Lab  
Quest Diagnostics

As the field of academic medicine and research evolves—and as many facilities continue to face stiff headwinds around budget, staffing, and resources—university-affiliated medical centers across the US are evolving their operating models.

One example is the University of Massachusetts (UMass) Memorial Health Care, which moved away from running its own laboratories and formed a joint venture with Quest Diagnostics, bringing a team of PhDs and MDs on-site to handle cytogenetics, molecular toxicology, special chemistry, microbiology, immunology, and other advanced lab services. Take a closer look at the UMass model:

#### The challenges

- Increasing market pressures and declining service reimbursements, leading to the need to monetize certain areas of lab business
- Integrating and training academic and commercial lab clinicians to handle large system volume
- Meeting the turnaround time and clinical expectations of an acute care setting

#### The solutions

- Invest in state-of-the-art equipment and robust service solutions
- Leverage some of the world’s largest automated specimen testing facilities
- Combine innovative technology and robotics with academic research expertise and experience

#### The results

- Deliver advanced diagnostic solutions at a massive scale to serve acute care needs in New England
- Analyze 10x more rare cases than before joint venture—allowing UMass to expand key diagnostic capabilities
- Offer academic staffing and clinical residency for UMass faculty, as well as CME courses, through the Quest lab

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## Operational efficiency

Focused on improving the bottom line every day

Before reading the following expert perspectives, consider how your health system is currently addressing operational efficiency in the lab. Key challenges typically include:

- Maintaining consistent quality and availability of supplies like reagents, sample collection kits, and equipment
- Increasing operational speed to reduce diagnosis time and improve patient experiences
- Driving economies of scale in supply chain and lab operations at the best possible price

Now turn the page to start exploring ways to streamline operations and stabilize the supply chain by realigning lab management.

# Perspectives for operational efficiency

## Going beyond the supply chain to drive stronger lab performance



**Daren Alix**

Executive Director of Health Systems Commercial at Quest Diagnostics

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“Diagnostics can help solve challenges by looking at the laboratory differently. Looking at strategic partnerships versus simply being a transactional laboratory provider is essential.”

For many health systems, the past few years have brought severe financial headaches—cost surges, reduced reimbursements, negative operating margins—which have led to decreased revenue and increased pressure on system leaders.

These challenges have been primarily caused by the COVID-19 pandemic, supply chain disruptions, labor shortages, and related resourcing issues—concerns that aren’t disappearing anytime soon. Yet it is possible to lessen the financial impact while achieving better patient and hospital health. One strategy is to rethink your health system’s approach to diagnostics and lab management by:

- Regarding lab providers as strategic partners who deliver strong clinical, financial, and operational value
- Leveraging your lab partner’s purchasing power to acquire equipment, supplies, and reagents more quickly and cost-effectively
- Optimizing processes and streamlining workflows to reduce complexity and improve efficiency

### **A forward-thinking strategic relationship**

Realigning your lab management strategy can help your health system overcome the recent financial impact while also preparing for the next big challenge. Instead of viewing lab providers as another transaction on the ledger, forge a collaborative partnership that can lower operating costs, boost performance, drive efficiency, and deliver the highest-quality outcomes for your patients.

Hear more of my perspective >

# Perspectives for operational efficiency

## Beyond the lab: how health outcomes meet fiscal excellence



**Tammy Germini, MBA, MT (ASCP)**  
Executive Director of Health  
Systems Operation at Quest  
Diagnostics

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“Standardization of lab practices can drive bottom-line impact almost immediately, which is a welcome outcome as every hospital budget undergoes intense scrutiny.”

Hospital budgets continue to undergo intense scrutiny as health systems—reeling from the COVID-19 pandemic and responding to an industry-wide push for value-based care—seek the optimal balance between supporting care and driving bottom-line impact.

One way to strike that balance is to forge a better relationship with your health system’s lab provider. A strong connection between lab and hospital leadership enables both sides to collaborate on key strategies that can improve health outcomes and drive fiscal excellence at scale, including:

- Standardization of lab practices, which can quickly create cost and resource savings
- Lean processes, which can root out wasted steps from hospital to lab and back again
- Staffing optimization, which can enhance efficiency by ensuring the right number of employees are on-site at the right time

### Creating impact that goes beyond the lab

Labs can play a significant role in health system finances, and forming a robust alliance offers benefits that reach across medical departments—from leveraging your lab’s expertise and resources to optimizing system-wide processes to establishing quality metrics and beyond. All to reduce costs, generate revenue, and galvanize value-based care throughout your system.

Read more of my  
perspective >

# Perspectives for operational efficiency

## A convergence of science and logistics in the lab



**Patrick Mason, MD, PhD**  
Regional Medical Director  
Quest Diagnostics

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“We need to make sure that engine continues to run. So...the instrument is ready, the people are ready, the lab is ready, and we’re ready to get you that result as fast as we possibly can.”

Health systems are always looking for ways to streamline operations while improving patient outcomes. Unfortunately, in today’s healthcare landscape—where a rising demand for services has created rising financial demands on institutions—that’s easier said than done.

One oft-untapped opportunity lies in implementing effective clinical care pathways, where the correct treatment is determined through a precise diagnosis informed by comprehensive testing and a complete review of a patient’s background. Yet precision diagnostics requires a convergence of thinking that connects scientists and clinicians with lab logistics and operations. As in literally connecting these teams during standing or even daily meetings to:

- Take inventory of lab performance over the previous 24-48 hours
- Identify new challenges early, and how best to address them
- Determine which people are critical to take the required actions

### **A crucial collaboration**

Think of a lab as a high-performance engine that must be maintained—to keep the instruments running, the reagents stocked, the results timely—or risk slowing down. A dynamic collaboration between clinical and operational leaders is critical to lab performance and your health system’s ability to achieve precision diagnostics that lead to successful treatment pathways.

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# Perspectives for workforce effectiveness

## Strategic partnerships can help solve issues from labor shortages to supply chain setbacks



### Daren Alix

Executive Director of Health Systems Commercial at Quest Diagnostics

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“Strategic partners focus on collaboration and supporting your business objectives.”

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Health systems face an existential crisis caused by reduced reimbursements, supply chain slowdowns, and a shortage of healthcare professionals. Strategic partnerships could offer a lifeline.

You may already utilize external labs, but are you extracting as much value as possible? Issues raised by participants in a November workshop at Becker's 10th Annual CEO + CFO Roundtable speak to the need:

- “We’re barely able to keep up with our infrastructure and facilities, let alone staffing.”
- “We’re struggling against a tide that many health systems and hospitals will not survive.”
- “Alternative sites of care and businesses to build a healthy ecosystem is one of the most critical things.”

One way to help solve these issues is to evolve from vendor contracts to strategic partnerships. Vendors care about short-term goals identified in their contracts. Strategic partnerships, on the other hand, focus on collaboration, shared business objectives, and problem-solving. Working with like-minded organizations in it for the long haul, you can start to find valuable solutions for workforce shortages, increased patient acuity, and declining revenues. In our work with PeaceHealth, for example, we identified a lack of consistency across their many in-house labs and collaborated to standardize their processes. In the end, we drove out about 20% of the cost.

### Collaboration optimizes operations—and care

While you may be uncomfortable (at best!) inviting someone to deconstruct your process, the results speak for themselves. Opening yourself up to a long-term strategic relationship with a well-respected, national reference lab will create opportunities that can start to turn the tide that may feel so threatening today.

# Perspectives for workforce effectiveness

## Overcoming the growing shortage of laboratorians



**Tammy Germini, MBA, MT (ASCP)**  
Executive Director of Health  
Systems Operations at Quest  
Diagnostics

“Staffing your clinical laboratory with highly qualified professionals is challenging in the best of times. But that challenge has grown exponentially in recent years.”

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perspective >

An aging workforce, worker burnout, and increasingly complex diagnostics threaten health systems’ ability to provide top clinical care. Fortunately, there are promising short- and long-term solutions.

The industry is aware that improving lab worker recruitment and retention will require significant changes in compensation, scheduling flexibility, on-the-job training, and pathways for career advancement. Unfortunately, none of these are quick fixes and will take time to reach the lab. But there are concrete steps you can take now to mitigate the worst of the worker shortage and maintain the highest quality care. I recommend focusing on the most-needed diagnostics for your community in-house and looking to lab collaboration for the rest. Start by:

- Auditing in-house testing menus to optimize current resources—including costs to train workers and maintain equipment
- Evaluating workflows and staffing strategies to ensure highly trained staff isn’t required to use valuable time on entry-level tasks
- Requesting recommendations from a reference lab with broad and deep experience to help create a customized solution for your remaining needs

### **Collaboration can help solve the staffing shortage**

Healthcare executives can keep clinical lab services at the highest level by understanding the forces driving the crisis and addressing them head-on. Making the most of your valuable staff without asking too much of them depends on finding solutions that keep quality—and morale—high.



## Workforce effectiveness

Focused on improving productivity  
and performance every day

Before reading the following expert perspectives, consider how your health system is currently addressing workforce effectiveness in the lab. Key challenges typically include:

- Managing staff hiring, training, and retention as well as fluctuating workforce levels
- Achieving optimal scalability to manage capacity and maximize utilization as demands shift
- Proactively identifying current testing equipment and latest regulatory protocols

Now turn the page to start exploring ways to augment staffing and reduce operating costs with a winning lab strategy.

# Perspectives for workforce effectiveness

## How to combat skilled labor shortages in the lab



### Daren Alix

Executive Director of Health Systems Commercial at Quest Diagnostics

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“It’s critical to accurately represent the needs and desires of the health system. What is their lab strategy? How can we enhance services? Are there opportunities to help with labor productivity?”

Of all the anxieties that keep health system leaders up at night—from frightening costs to sluggish supply chains and nightmarish reimbursement policies—workforce worries often top the list.

While the demand for workers remains steady, a massive labor shortage combined with those scary-high costs is creating a double whammy for health systems. One way to combat this challenge is by evaluating labor productivity as it relates to your laboratories. Ask yourself the following questions:

- Do you have the right number of medical technologists for your lab volume?
- What workforce benchmarks are you using to measure against other hospitals?
- Is there an opportunity to integrate lab automation or move testing off-site?

### Lab collaboration could be your answer

A strategic lab collaboration program can resolve these questions—and more—by enabling your health system to augment skilled lab staffing and accelerate workforce efficiencies. Our lab partnerships have yielded 8% to 15% overall savings for the health systems involved,<sup>1</sup> and strong lab collaborations can help reduce supply chain and procurement costs, improve turnaround times, boost inspection readiness, and even elevate data insights. Which brings us to the last question: Is it time to retire your old strategy?

Hear more of my perspective >

# Perspectives for workforce effectiveness

## Partnering to optimize lab management and efficiency



**Mike Lukas**

Vice President and General Manager  
Health Systems  
Quest Diagnostics

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“Academic centers, large systems, independent hospitals...lab management solutions vary and are customized to meet the needs of the site—or multiple sites.”

As the post-pandemic landscape takes shape, health systems and hospitals face a new reality of staffing struggles, higher costs, and reimbursement reductions—plus a need to better track clinical and financial performance.

While there’s no magic wand to make these problems disappear, there is a way to start addressing them: A lab management partnership that works collaboratively with your team. This solution can be scaled to fit the needs of your system or hospital, providing professional consultation for specific trouble spots of your lab operations, including:

- Skilled staffing gaps in your lab
- Supply chain and capital equipment procurement costs
- Inspection preparation and readiness
- Lab utilization data and insights—to monitor for practice guidelines and over- and under-ordering

### Putting your lab efficiency to the test

Lab management partnerships can help health systems address staffing issues; deliver buying power for capital equipment; save on reagents and other supplies; and streamline reference lab outreach. All of which will optimize your lab efficiency and potentially save 8% to 15% of your overall lab spend<sup>1</sup>—without compromising patient care or test quality.

Hear more of my  
perspective >

# Perspectives for workforce effectiveness

## How to improve lab performance while reducing costs



**Mike Lukas**

Vice President and General Manager  
Health Systems  
Quest Diagnostics

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“Strategic collaboration doesn’t mean somebody is taking over your lab. It doesn’t mean you’re outsourcing your lab. It means evolving your lab to deliver broader solutions.”

It goes without saying that every hospital wants the best-run laboratory possible. And yet current obstacles—rising costs, falling reimbursements, supply shortages, staffing pressures—can make the possible feel impossible.

That’s why lab management remains a key priority for health systems. A well-run lab requires firm control over operational costs and efficiencies, not to mention smarter employee training, stronger data access, and a more streamlined supply chain. To overcome these challenges, it may be time to consider a more strategic solution—namely a lab collaboration to:

- Enable reductions in lab-related spend of up to 8% to 15%<sup>1</sup> with no loss of quality
- Implement lab standardization, make processes leaner, and improve utilization management
- Combine the power of clinical experts and infrastructure with operational, logistical, and data-driven insights

### **A range of strategic collaborations**

There are several ways your health system can meet the needs of hospital labs while maximizing cost savings and workforce effectiveness. Strategic collaboration models range from professional consultation and supply chain optimization services to a more formal lab partnership, including end-to-end lab stewardship.

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## Conclusion

Get the support you need to navigate today's healthcare landscape

Our experts have shared their perspectives on what it takes to streamline and simplify lab operations—and your health system can continue leaning on our deep experience and diverse expertise. It's time to put your trust in a lab partner who can keep pace with your team's clinical prowess, scientific advances, and growth aspirations.

Quest has an expansive medical team, extensive resources, and the capacity to scale with you. We can help right-size lab operations so you can:

- Drive revenue and reduce costs while enhancing patient care, experiences, and outcomes
- Achieve supply chain stability while ensuring access to in-demand supplies through increased buying power
- Streamline lab management while optimizing staffing, resource utilization, and throughput scalability

**Quest can help your health system take the complexity out of lab operations. Connect with one of our experts by emailing [HealthSystems@QuestDiagnostics.com](mailto:HealthSystems@QuestDiagnostics.com) or view more expert insights at [Health.QuestDiagnostics.com/Perspectives](https://Health.QuestDiagnostics.com/Perspectives).**



1. Data on file. Quest Diagnostics; 2021