

Clinical Lab 2.0 Change Management: Dual Transformation

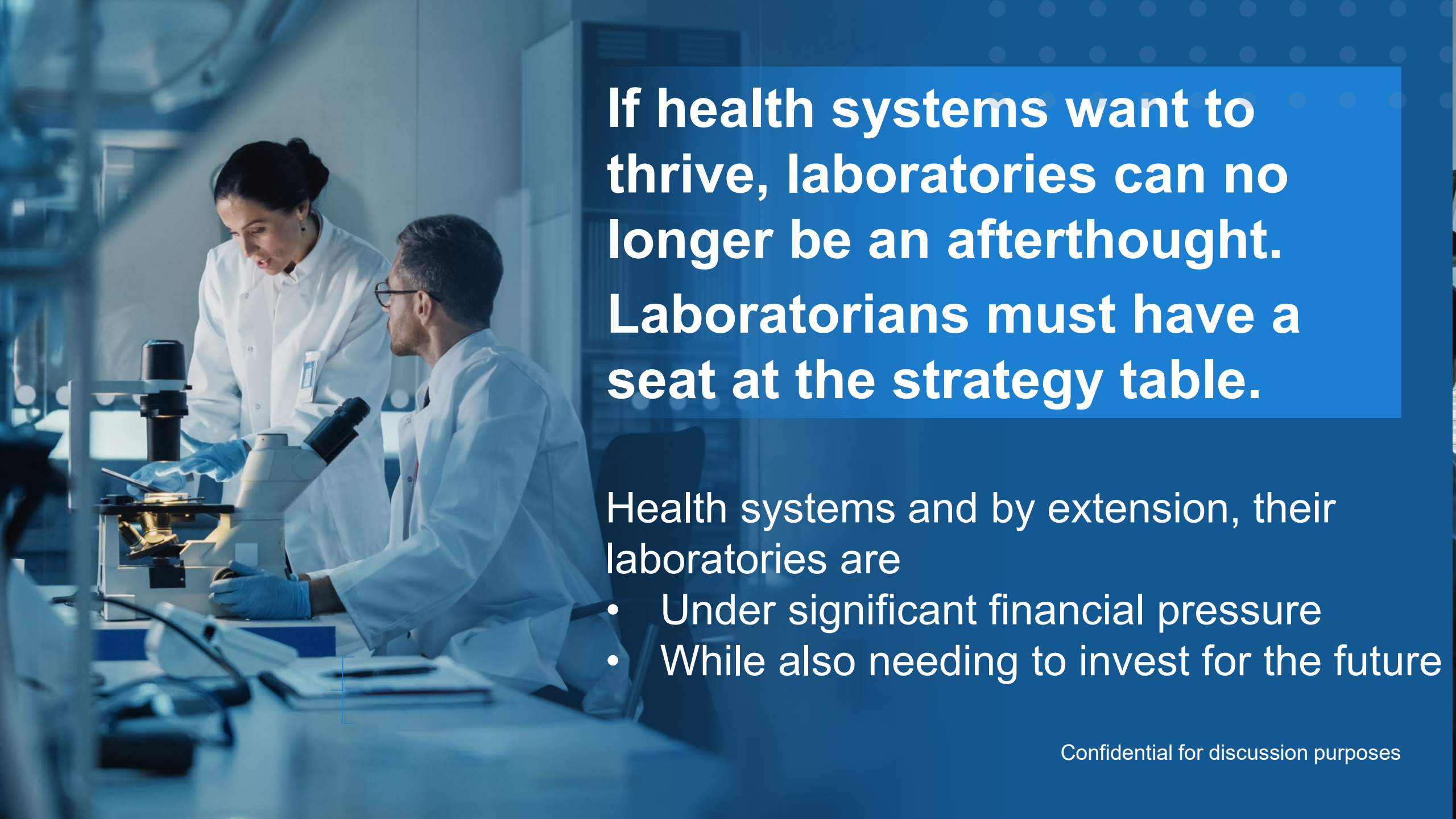
KEITH LAUGHMAN, DBA

Founder & Managing Partner, Caretinuum Advisors

CONVERGENCE

Pathology, Laboratory Diagnostics and Population Health



A photograph of two scientists in a laboratory. A woman in a white lab coat and blue gloves is standing and looking at a microscope. A man in a white lab coat and blue gloves is sitting at a desk, also looking at the microscope. The background is a blurred laboratory setting with shelves and equipment. The overall color scheme is blue and white.

If health systems want to thrive, laboratories can no longer be an afterthought. Laboratorians must have a seat at the strategy table.

Health systems and by extension, their laboratories are

- Under significant financial pressure
- While also needing to invest for the future

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SCOTT D. ANTHONY
CLARK G. GILBERT
MARK W. JOHNSON

DUAL TRANSFORMATION DUAL

**How to Reposition
Today's Business While
Creating the Future**

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HARVARD BUSINESS REVIEW PRESS

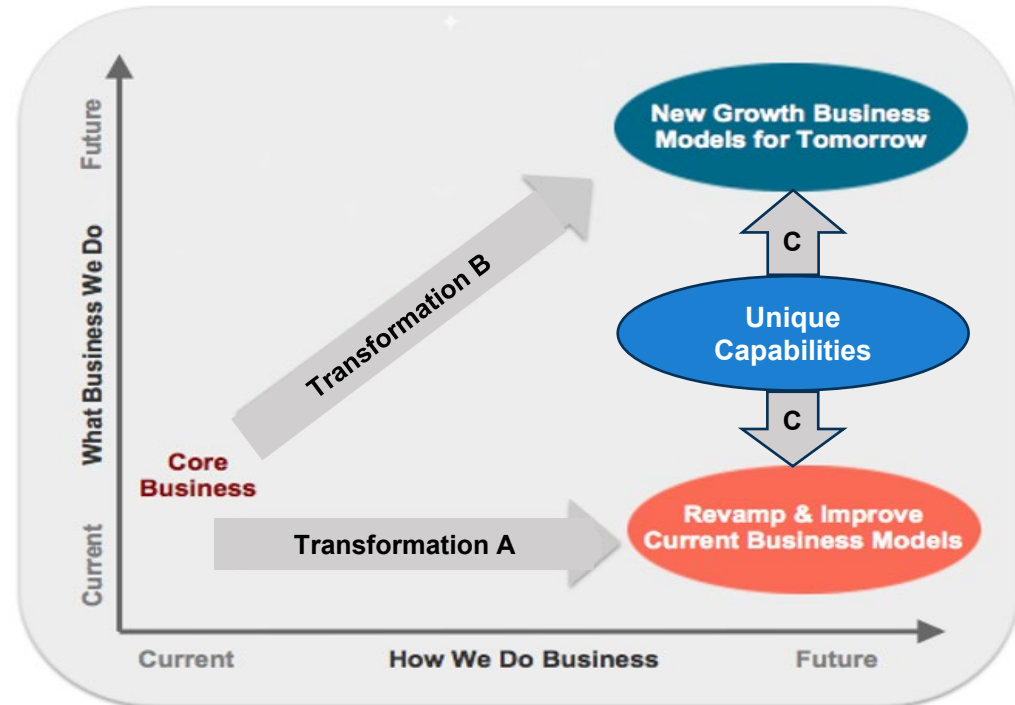
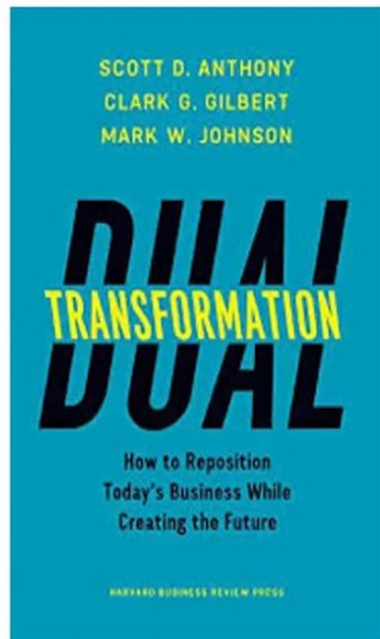
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Confidential for discussion purposes

The Health System Laboratory Has a Critical Role to Play in this Transformation

Dual Transformation



- > **A - Revamp/Maximize Resilience**
 - Leverage Dx stewardship & lab medicine expertise to improve health system efficiency & effectiveness
- > **B - Tomorrow's Growth Engine(s)**
 - Execute a Dx integration programs and redefine the lab's value proposition
- > **C - Leverage Unique Capabilities**
 - To create competitive advantage

The Health System Laboratory's Unique Capabilities



Generates **70% of the objective information** in a patient's medical record



Triggers or confirms the majority of patient care costs, which will **rise dramatically** with **precision medicine**



Is in **all care settings**, enabling the creation of a patient-centric **longitudinal diagnostic record**



Core competency in every healthcare system that **cuts across all** department and division **silos**



Rapidly advancing clinical laboratory **diagnostic technology**



Vital component of **population health** and innovative **new care delivery models**



Extensive **laboratory medicine expertise**, which when appropriately channeled can **lower the aggregate cost of care**

Fully leveraged, these capabilities represent significant competitive advantage and value!

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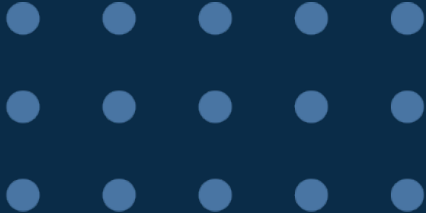
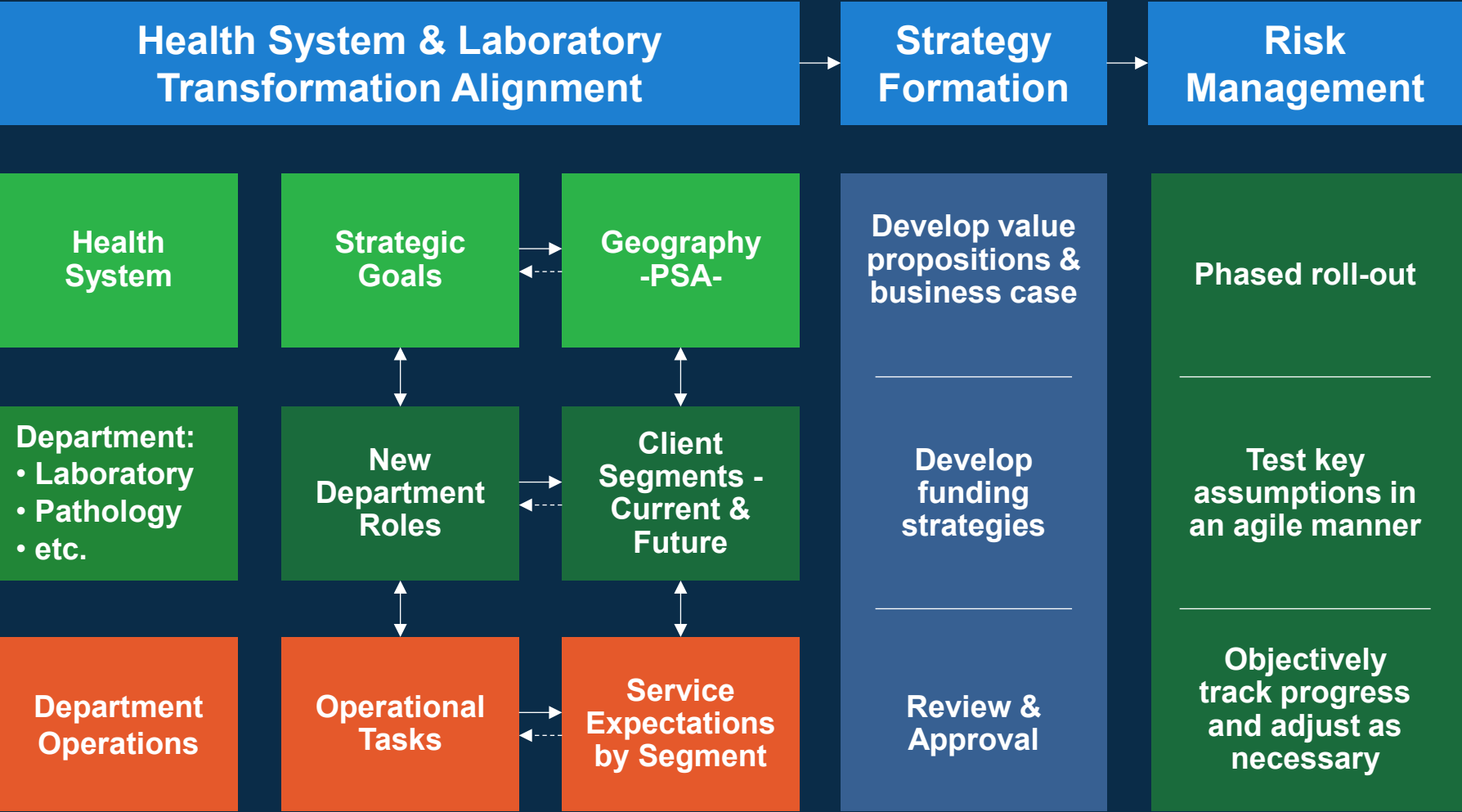
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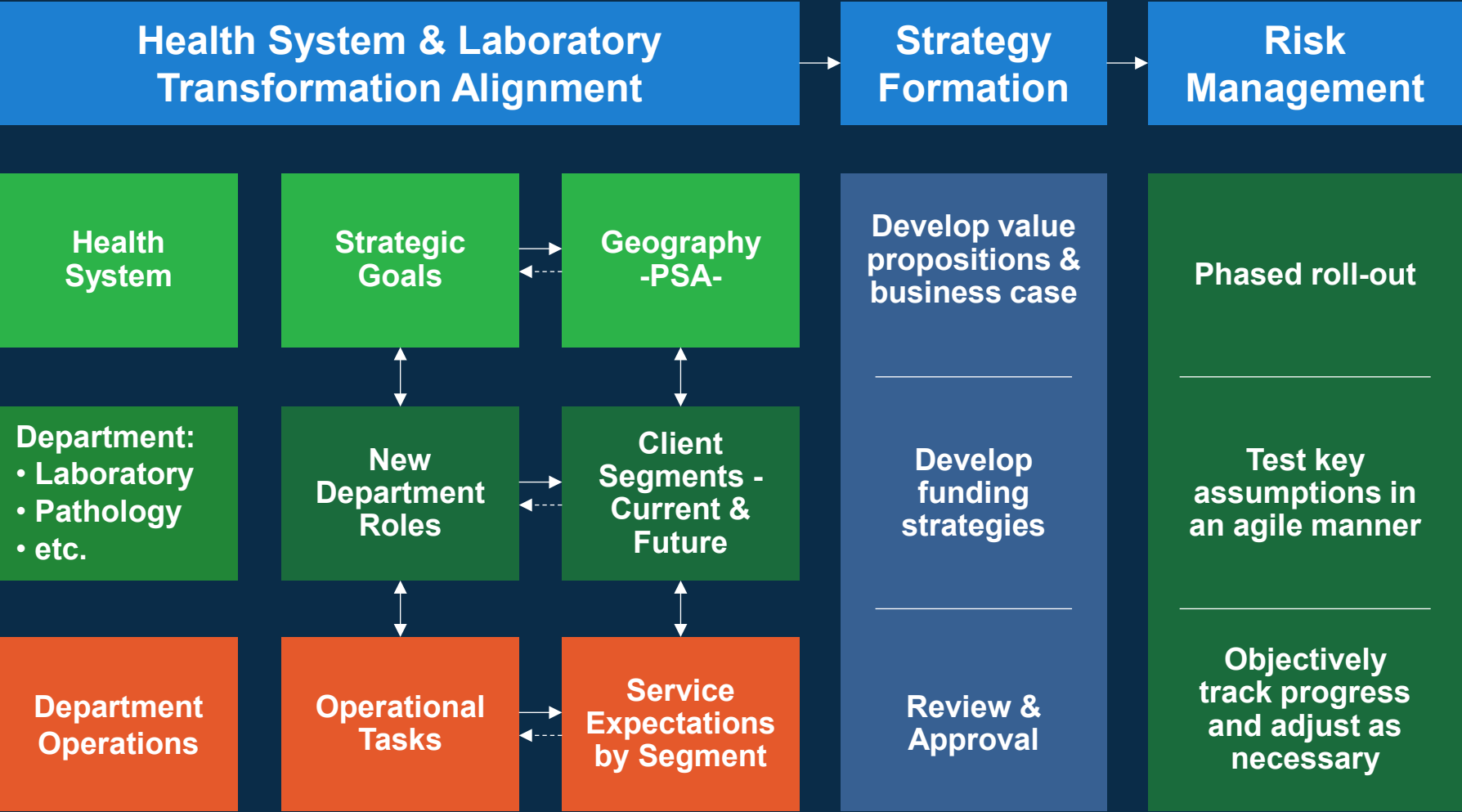
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How many believe that health system leaders fully understand the laboratory's capabilities and value?

Engage in Health System Strategic Planning to Strengthen Senior Leaders' Understanding of their Laboratory



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THINK BIG, but
start small

Transformation “A” Example

High Value - Low Risk

Inpatient Dx Stewardship

- Analyze test ordering patterns
 - ▶ looking for variation and episode of care cost savings
- Discuss ways to enhance practice efficiency and effectiveness with clinical leaders
 - ▶

Why Choose Inpatient Settings as a Starting Point?



- More controlled clinical environment
- Facilitates study design



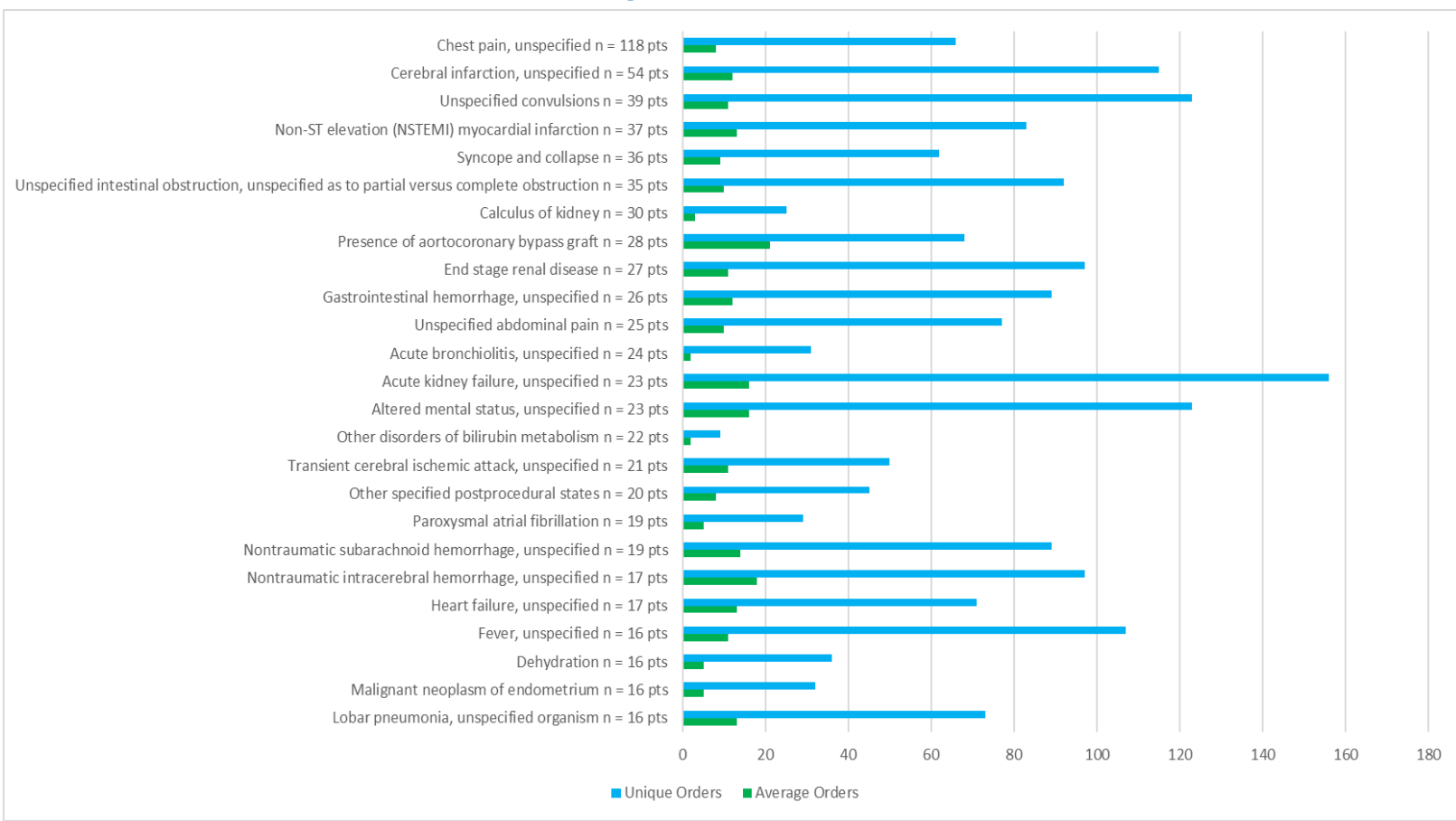
- Reimbursement is bundled/DRG-based
- Benefits have an immediate financial impact



- Impacts from Dx Stewardship/Clinical Lab 2.0 initiatives are more easily tracked over time

Current State – Test Under- and Overutilization

Top 25 ICD–10s - Single ICD-10 Code per encounter*



Provider test ordering patterns demonstrate extensive variation

*3 months of data – Acute Care Hospital Excluding Maternity & Orthopedic ICD 10s

Overutilization/Variation Matters



INCIDENTAL FINDINGS ARE COMMON

and can trigger Care Cascades which:

- ▶ Drive up non-value-added costs
- ▶ Delay hospital discharges

Physicians Reported That These Cascades Resulted In:

Patient Harm:

- ▶ Psychological harm – 68.4%
- ▶ Treatment burden – 65.4%
- ▶ Financial burden – 57.5%
- ▶ Dissatisfaction with care – 27.6%
- ▶ Physical harm – 15.6%

Physician Frustration:

- ▶ Wasted time and effort – 69.1%
- ▶ Frustration – 52.5%
- ▶ Anxiety – 45.4%

How many believe that hospital leadership would value a process that reduces length of stay while improving patient & provider satisfaction?

*Ganguli, I., Simpkin, A. L., Lupo, C., Weissman, A., Mainor, A. J., Orav, E. J., Rosenthal, M. B., Colla, C. H., & Sequist, T. D. (2019, October). Cascades of Care After Incidental Findings in a US National Survey of Physicians. JAMA Network Open.

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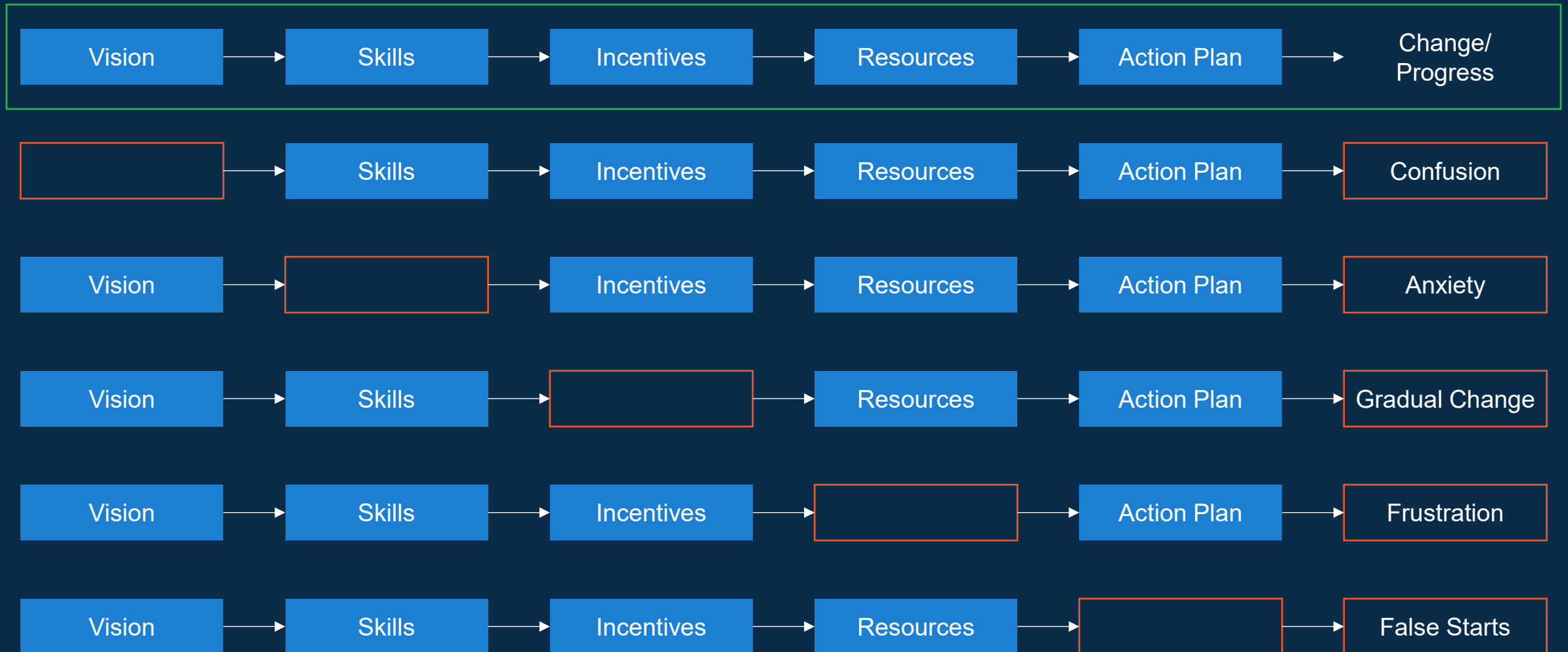
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As laboratorians, we must broaden our focus and take the lead in episode-of-care initiatives where the laboratory plays a role.

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To Succeed in Driving Transformational Change

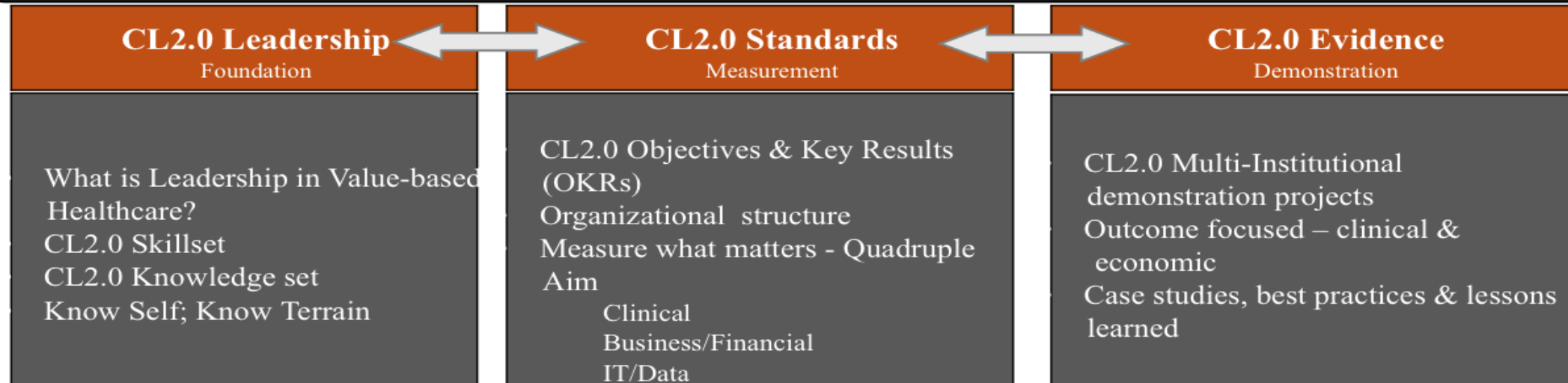


Project Santa Fe & CL 2.0 Principles Provide Important Guidance

 CLINICAL LAB 2.0

Pillars of Project Santa Fe Foundation

Expand the role of diagnostic services in the future healthcare ecosystem



CL 2.0 and Project Santa Fe Concepts - Driving Transformational Change





Just as pharmacists have redefined their role in healthcare, laboratorians who:

- **Embrace innovative concepts—such as those advocated by Clinical Lab 2.0 and Project Santa Fe**
- **Leverage their lab's unique capabilities**
- **Align and inform the health system's strategic vision in executing its Dual Transformation**

can not only secure a seat at the strategy table but also shape the future of healthcare delivery.

The opportunity is here. The time to lead is now.

Thank You!

Slido questions

Slide 5

- How many believe that health system leaders fully understand the laboratory's capabilities and value?

Slide 10

- How many believe that hospital leadership would value a process that reduces length of stay while improving patient & provider satisfaction?