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Partnering for Laboratory Success

Today's environment is not an easy one for health systems to go at it alone.

In fact, there has never been a better time than now for provider organizations to engage in strategic partnerships. The right partners can help maximize resources, streamline operations and ease the financial strains that have been amplified in recent years. Hackensack Meridian Health, Edison, N.J., knows this very well, having benefited from a strategic partnership, specifically in its journey to optimize laboratory services.

Achieving a Standardized Approach

One of Hackensack Meridian Health's main priorities when seeking a laboratory partner was standardization of laboratory processes and practices across the health system. Hackensack Meridian Health is New Jersey's largest health system with 18 hospitals, more than 500 patient care locations and the Hackensack Meridian School of Medicine. Prior to partnering with Quest Diagnostics in 2021, each of the system's hospitals had its own lab protocol, making it difficult to achieve the efficiency and process improvements the health system desired.

"Having Quest leadership in our labs and collaborating with us allows for a more uniform, standardized holistic approach versus each hospital acting independently," says Barbara Burch, vice president, Network Laboratory Services, Hackensack Meridian Health.

In addition to standardizing processes, Quest Diagnostics also helped the organization upgrade and structure its lab equipment. Having an external perspective helped align stakeholders when making decisions about equipment or processes and kept the whole team laser focused on its goals.

"The partnership provides the health system with the focus its project needs and a group that is responsible for driving the team to solution design, working through differing opinions and then ultimately being accountable for executing the plans," says Michael Lukas, senior vice president, Health Systems, Quest Diagnostics, Secaucus, N.J.

Leaning on a Breadth of Knowledge

For COO Mark Stauder, a main goal for Hackensack Meridian Health in updating its laboratories was having a best-in-class diagnostic information services organization as a strategic partner.

"It was important so that no matter what topic we were addressing, be it a strategic plan, equipment standardization or esoteric testing, we had a national leader who could give us their experience and perspective on what they've seen across the country and help us create

the right path forward," he says. "We're always benchmarking against best practices for lab access, quality of lab testing and economic efficiency of patient management."

In its collaborations with health system partners, Quest Diagnostics draws on the global perspective it has thanks to its large, national laboratory footprint and network, but then customizes its approach to fit a health system's unique needs, according to Lukas.

"When we think about collaborating and strategic partnering with systems, it means delivering different capabilities based on what their specific needs are, which is important for long-term success," he says.

Improving Patient Care

The increased efficiencies achieved across Hackensack Meridian Health's labs have had direct, positive impacts on patient care.

"Looking at the total package of standardization of processes across the network, as well as upgrading and installing new equipment, it has all dovetailed into us meeting the defined key performance indicators that directly impact our patient care," Burch says.

The health system has experienced decreased turnaround time from receipt of a sample in the lab to getting results to the clinician. The laboratory initiatives also have improved the organization's test utilization—helping steer clinicians to the correct test—which has improved clinical decision-making in some cases, according to Burch.

The health system's Lab Stewardship Committee, which was formed in partnership with Quest Diagnostics, has helped usher in several other quality and process improvement projects that positively impact patient care, including one focused on rethinking the timing of lab draws to avoid disturbing resting patients.

"All these initiatives help us measure our goals across the entire network and work toward a strategic goal to

better meet the needs of our clinicians so they can better treat our patients," says Burch.

Keeping an Eye on Costs

Optimizing clinical quality, patient experience and cost-effectiveness are the keys to success, according to Stauder, whether the organization is a multibillion-dollar health system or a community hospital. To help it control laboratory services costs, the organization has an annual capitated agreement with Quest Diagnostics around total lab cost.

"It's a shared-risk model between us and Quest, with Hackensack Meridian Health's risk getting refreshed annually," Stauder says.

A governance committee, which includes members from Quest Diagnostics and Hackensack Meridian Health, reviews spending to keep costs in check.

"In the laboratory field, things do not stay static," Burch says. "So, while we do have this forecasted capitated rate, if something changes during the year, such as we need additional tests or equipment that weren't part of that forecast, the governance committee oversees the process. This helps us avoid a spend creep where you add a little bit of this and a little bit of that, and the next thing we realize we have spent more than we intended."

For Hackensack Meridian Health, all these benefits underscore that in today's environment, healthcare organizations are often stronger with a strategic partner.

"I think that health systems are realizing that in today's complex world, in many, many cases, we are much stronger when we partner with expert content providers than when we try to be an expert content provider ourselves in all these areas," Stauder says. "For us, that has been a national laboratory partner with good, mutual sensitivity and concern about each other's success and finding ways to work together to provide the highest clinical quality at the lowest possible cost."

For more information, please contact Michael Lukas, senior vice president, Health Systems, Quest Diagnostics, at HealthSystems@QuestDiagnostics.com.

The use of the word partner is not intended to imply a legal business entity, but rather a working collaboration between the parties.

