

From the Desk of R. Lewis Dark...

THE **RD** DARK REPORT

RELIABLE BUSINESS INTELLIGENCE, EXCLUSIVELY
FOR MEDICAL LAB CEOs/COOs/CFOs/PATHOLOGISTS

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Commentary & Opinion by...

R. Lewis Dark

Founder & Publisher



Failure to Provide “Right Care” Documented by Study

EVEN AS THE HOUSE–SENATE CONFERENCE COMMITTEE determines the fate of the 20% co-payment for laboratory tests, our lead story in this issue of THE DARK REPORT looks at the impact of a remarkable study on the quality of healthcare delivered to the average American patient just published in the *New England Journal of Medicine* (NEJM). (See pages 2-4.)

The findings probably don't surprise most of us in laboratory medicine. In a study of 13,000 people, researchers determined that patients fail to get recommended care 45% of the time! That means almost half of all healthcare consumers are not getting the standard of care recognized as appropriate! It was also determined that 11% of patients receive care which is either not recommended for their condition or potentially harmful.

As strategic intelligence of greatest importance, our assessment is that the findings of this **RAND Health** study will have greater impact upon laboratory medicine than the eventual outcome of the current efforts in Congress to reimpose the 20% co-pay. That's why the briefing about the study on patient care quality leads off this issue.

As you will read, RAND Health researchers did a thorough job of interviewing individuals over the phone, obtaining consent to access their medical records, then evaluating those medical records. Using rigorous methodology, they determined that healthcare providers were giving patients the care recommended for their particular condition only 54.9% of the time!

Our clients and regular readers will understand the ramifications of these findings. Both employers and consumer advocacy groups will use them to justify greater scrutiny of provider quality. It certainly weakens arguments by hospitals and physicians that overall levels of care are acceptable—and the real issue is eliminating medical errors. The findings of this study directly contradict that position.

Moreover, this finding is remarkable for a study that only cost \$6.5 million, which is chump change in the world of healthcare consulting and research. I recommend that pathologists and laboratory executives read the NEJM article in full, and include this element in their laboratory's strategic planning.

Boost for Labs: Study Reveals Big Care Gap

Two-year RAND study verifies that 45% of adults fail to receive recommended care

CEO SUMMARY: *This research project involved 13,000 patients and a detailed review of medical records. The startling conclusion: the health system provides proper diagnosis and treatment only 55% of the time! Because of the study's depth, it provides a compelling argument that the nation's providers have plenty of room for improvement. This bodes well for diagnostic testing and its role in high-quality care.*

HEALTHCARE QUALITY ADVOCATES got a big boost on June 26, 2003, when the *New England Journal of Medicine* (NEJM) published results of a two-year study that found patients get proper diagnosis and treatment only 55% of the time.

Perceptive pathologists and lab managers will immediately recognize that these findings will motivate the nation's healthcare system to pay closer attention to the proper use of laboratory testing. A 45% rate of failure to properly diagnose and treat patients will not be tolerated by consumers, employers (who pay health-care bills), insurers, and government-funded health programs.

The study was conducted by **RAND Health** and funded by a \$6.5 million grant from the **Robert Wood**

Johnson Foundation. The study piggy-backed on the work of the Community Quality Index (CQI) study and was designed to "assess the extent to which the recommended processes of medical care—one dimension of quality—are delivered to a representative sample of the United States population for a broad spectrum of conditions."

This RAND study has high credibility because it is the most comprehensive effort ever undertaken to assess the adequacy of healthcare. Telephone interviews were conducted with 13,275 people living in six regions of the United States. Physical healthcare records were obtained and examined for 6,712 of these individuals.

Key findings were two. First, participants received 54.9% of recom-

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mended care. This performance ratio was similar across the areas of preventive care, acute care, and care for chronic conditions.

Second, underuse was a greater problem than overuse. Whereas 46.3% of participants did not receive recommended care, 11.3% of participants received care that “was not recommended and was potentially harmful.”

Criteria For Evaluation

As quality indicators, RAND researchers selected 30 clinical areas involved in about half the reasons people seek healthcare. Within each clinical area, specific standards of quality were based on national guidelines and medical literature and approved by panels of leading physicians. Medical care delivered to the study’s participants was evaluated against these parameters.

“Our study—based on reviews of medical records and interviews with nearly 7,000 adults in 12 metropolitan areas—found that the average adult received only about eight of the 16 medical services he or she needed over two years,” stated Elizabeth A. McGlynn, Ph.D., lead study author and Associate Director of RAND Health. “Everyone in the study was at risk of failing to get needed services or at risk of getting unneeded and even possibly harmful medical services.”

Appalling Rate Of Failure

In their conclusion, the study’s authors wrote about the failure to provide recommended healthcare, stating “...the gap between what we know works and what is actually done is substantial enough to warrant attention. These deficits, which pose serious threats to the health and well-being of the U.S. public, persist despite initiatives by both the federal government and private healthcare delivery systems to improve care.”

McGlynn observed that “even people who had health insurance and access to healthcare services failed to receive some elements of good care. This suggests that just being able to get in the door to see a doctor is no guarantee that you’ll receive the care you need.”

These are powerful statements. From the Six Sigma perspective, which uses events-per-million to evaluate work processes, this means that 460,000 times out of one million, caregivers fail to provide the recognized standard of care. By another measure, 113,000 times out of one million, caregivers actually give the patient care services which are not recommended and are potentially harmful!

Two Recommendations

In the NEJM, the authors of the study made two recommendations, both with sweeping consequences. Their first recommendation is that “a key component of any solution, however, is the routine availability of information on performance at all levels.” They specifically reference “automating the entry of key data for clinical decision making and for the measurement and reporting of quality.” The goal is to make routine the availability of information on healthcare performance at all levels.

The second recommendation is the establishment of “a national base line for performance.” This would make it possible “to assess the effect of policy changes and to evaluate large-scale national, regional, state, or local efforts to improve [healthcare] quality.”

Blame for the current situation is attributed to several factors. One, there is an absence of an accountability system for hospitals and physicians. Two, physicians lack awareness of current recommended guidelines for care. Three, insurance companies, which pay the bills, have little financial incentive to address the problem.

THE DARK REPORT predicts this RAND study on healthcare quality will be used to bolster the efforts of employers, payers, and government health programs to push providers to improve the quality of care. The national media may have given only passing publicity to this story by the national media, but buyers of healthcare paid close attention.

Ramifications For Labs

Pathologists and laboratory managers, should study the ramifications of the RAND study from several strategic perspectives. First, how will measuring the quality of healthcare services affect existing laboratory operations and work processes? Labs will probably find themselves tracking non-traditional measures of quality.

Second, will the laboratory be ready to support those clinicians who take active steps to review current recommended standards of care for the types of health problems they treat? Laboratory testing plays a key role in early detection, diagnosis, prognosis, and patient monitoring. It is reasonable to expect some physicians will want a closer clinical relationship with their laboratory as they take active steps to improve quality in their clinics and group practices.

Third, does the laboratory have a strategic plan which meets the needs of clinicians for electronic dissemination of laboratory test data? Because laboratory test data is the preponderance of information in most patient's health file, labs will be under pressure to raise their capabilities in this area.

Remarkable Conclusion

It is a remarkable conclusion that almost *half* the adults in this country *do not get recommended care*—and that almost 12% get care which is not recommended and is potentially harmful! That finding certainly disarms providers who question the need to

CMS Reacts Swiftly To RAND Study Findings

PROVIDER ACCOUNTABILITY is another way to describe the objective of measuring provider performance and making those measurements public. That seems to be exactly where Medicare is headed.

Just days after publication of the RAND Health study on healthcare quality, Medicare officials responded. Barbara Paul, Director of Quality Measurement and Health Assessment for the **Centers for Medicare and Medicaid Services (CMS)** noted that the failure of the healthcare system to provide recommended care almost 50% of the time is “a dramatic portrayal of the challenge we have regarding quality today.”

Paul also observed that CMS, by Labor Day, will post on its Web site results of a pilot project where hospitals report their performance on ten quality indicators for three disease conditions. This project was started in December 2002 and has the support of several hospital and healthcare trade associations.

CMS intends to measure indicators of quality on physician and hospital performance, and make them available to the public. THE DARK REPORT expects the findings of this new RAND Health study will accelerate that process.

measure quality, rank provider performance, and make this information available to the public.

Pathologists and laboratory administrators who understand the implications of this trend can take early steps to prepare their laboratory staff for this new emphasis on measured quality. Overall, this trend should increase the value of laboratory services to clinicians. **TDR**

HHS Plans to Encourage National EMR System

CAP's SNOMED licensed to supplement IOM's effort to standardize patient record

CEO SUMMARY: Last week, the U.S. Department of Health & Human Services (HHS) announced two major steps toward the universal electronic health record. One project involves the licensing of CAP's SNOMED CT system to make it available to all healthcare providers in the United States. The second project is a commission to the Institute of Medicine (IOM) to design a standardized model of an electronic health record.

BASED ON THE ANNOUNCEMENT of two new initiatives last week, it appears the federal government will drive the effort to create the universal electronic health record.

On July 1, the **U.S. Department of Health & Human Services (HHS)** held a press conference to announce the details of these two initiatives. The goal is to build "a national electronic healthcare system that will allow patients and their doctors to access their complete medical records anytime and anywhere they are needed, leading to reduced medical errors, improved patient care, and reduced healthcare costs."

Laboratories Must Respond

These two new initiatives will inevitably engage the nation's laboratories, since laboratory data is a key part of every patient's medical record. For this reason, lab directors and pathologists should closely follow the progress of these two initiatives. There is clear intent by HHS to drive implementation of an electronic health sys-

tem that allows all types of providers to easily exchange healthcare data.

The first project announced by HHS is a major coup for the **College of American Pathology (CAP)**. In a five-year contract worth \$32.4 million, HHS has permanently licensed CAP's SNOMED® CT system. SNOMED CT is a standardized medical vocabulary containing precise terms for 340,000 medical concepts. HHS will make SNOMED CT available, at no cost, to virtually all of the nation's healthcare providers.

At the same time, HHS announced the second project. It has commissioned the **Institute of Medicine (IOM)** to design a standardized model for the electronic health record. The model will be built upon HL7 and will be reviewed by **Health Level Seven, Inc.**, the standards body based in Ann Arbor, Michigan which administers HL7 and its development.

The IOM is expected to deliver this standardized electronic health record model by the end of next year. HHS

Choice of SNOMED By Federal Government Is Strong Endorsement of CAP's Hard Work

ONGOING EFFORTS over the past four decades to develop SNOMED® appear to be paying off for the College of American Pathology (CAP).

The agreement with the U.S. Department of Health and Human Services (HHS) to use SNOMED CT for medical terminology validates the foresight and hard work of CAP and the individuals who championed the development of SNOMED. It will play a primary role within the clinical terminology database that payers and providers within the United States will use to capture, store, and exchange clinical data.

The one-time payment specified in the contract will be shared by the **Department of Veterans Affairs**, the **Department of Defense**, and several agencies within HHS. This is also significant, because the U.S. Armed Forces and the Veterans Administration (VA) are actively working to create a universal electronic medical record for active duty personnel, dependents, and veterans.

Within the international network of military laboratories, use of LOINC to standardize lab test data has been under way for several years. (See *TDR*, June 24, 2002.) Because such work puts military labs and the VA ahead of most large health systems, this current endorsement of SNOMED CT is a powerful vote of confidence.

HHS has licensed the English and Spanish language versions of SNOMED CT, which stands for Systematized Nomenclature of Medicine Clinical Terms. SNOMED was developed in collaboration with the United Kingdom's **National Health Service**.

In the United States, SNOMED CT will be administered by the **National Library of Medicine** (NLM), starting in January 2004. It will be accessed through the NLM's Unified Medical Language System®, also called Metathesaurus®. This is a compendium of "biomedical concepts and terms from many controlled sources."

will share this model and all its components, at no cost, with the U.S. healthcare system.

Together, these two initiatives are expected to provide the foundation for a uniform methodology for collecting healthcare data, storing it, and transmitting it between providers and payers. Because the nation's largest providers and IT vendors have not been able to collaborate and agree on a set of common standards, the federal government has stepped in to take that role.

Action Steps For Labs

These newly-announced HHS initiatives will probably cause some laboratories to defer the purchase and imple-

mentation of new LIS systems. They will prefer to wait until the IOM's standardized medical records format is released next year.

It would also be reasonable to expect that LIS vendors will immediately begin the process of making their LIS products fully compatible with SNOMED CT. They will also prepare to integrate the as-yet undeveloped HL7-based standardized medical record with their various healthcare software products.

In the short term, laboratories will want to study SNOMED CT to understand what it is and how it should be integrated into their existing clinical repositories and systems for ordering and reporting. Because SNOMED CT

was designed by individuals who understand laboratory medicine, that should not be a daunting task.

THE DARK REPORT believes the July 1 announcement by HHS was timed to coincide with publication of the **RAND Health** study. Just five days earlier, on June 26, the *New England Journal of Medicine* published the findings of researchers, who determined that only 55% of the time do patients get a diagnosis and care which is in keeping with the recommended clinical course of action. (See pages 2-4.)

This will have a profound impact on laboratories, because the primary product of a lab is information—laboratory test data.

In that study, researchers observed that the failure of providers to deliver recommended care almost half the time can be attributed, in part, to the inability to access complete and up-to-date medical records of individual patients. To rectify the current morass of paper files, researchers recommended the development of a standardized electronic system of clinical data capture, storage, and transmission.

Two-Pronged Initiative

This is precisely the goal of the two-pronged HHS initiative. HHS is putting money on the table to develop a standardized electronic system of healthcare informatics. It appears the health systems of the U.S. Military and the Veterans Administration will be early-adopters and demonstrate the capabilities of this system as it is developed. Both of these systems provide healthcare to millions of individuals, so they can demonstrate the viability of such an electronic system on a large scale.

Clients and long-time readers of THE DARK REPORT will recognize that these recent events are in keeping with the public campaigns to improve patient safety and reduce medical errors. (See *TDR, January 28, 2002.*) The **Leapfrog Group**, the **Midwest Employers' Group on Health**, and similar organizations represent employers taking active steps to change the American health-care system.

Employers are actively challenging hospitals and large clinics to accurately measure outcomes. They want providers to implement and use quality management methods to revamp work processes as a way to eliminate medical errors, improve outcomes, and reduce the cost of care.

Standardized IT Needed

A standardized network that permits seamless electronic data collection, storage, and transmission between hospitals, physicians, payers, and patients is a necessary component of the drive to improve patient safety. It appears that the federal government is willing to fund important projects to make that a reality.

This will have a profound impact on laboratories, because the primary product of a lab is information—laboratory test data. Anything that revolutionizes the way providers and payers use and share information will require a comparable revolution in how laboratories create, manage, store, and transmit laboratory test data.

The IOM's model for an electronic patient medical record should be ready by next year, which accelerates the development and implementation curve for a standardized, national system of individual electronic medical records (EMR). An early version of a standardized EMR format may happen swiftly, even within 30 months.

Lab Info Systems Update

GE Medical Systems To Buy Triple G Systems Group

Acquisition is a step toward GE's vision of a comprehensive clinical info system

HERE'S AN ACQUISITION with interesting ramifications for both clinical laboratories and anatomic pathology group practices.

GE Medical Systems Information Technologies, (GEMSIT) a business division of **General Electric Company**, will acquire **Triple G Systems Group, Inc.** of Toronto, Canada. The purchase price is US\$54.8 million and the deal will close in the third quarter 2003.

GEMSIT's President, Dow Wilson, laid out the company's vision. "Laboratory information systems are critical to delivering quality patient care in today's healthcare environment," he said. "The increased focus on raising clinical productivity, while improving the quality of patient care has made clinicians eager for technology that provides real-time patient information across the healthcare enterprise. *Because most clinical treatment decisions are based on laboratory test results* (italics by TDR), the potential for improving patient safety by enhancing workflow in this area is significant."

Move Into Pathology Field

GEMSIT is already a respected player in the radiology marketplace. It has consistently brought enhanced IT solutions to radiologists in support of its imaging product line. Its acquisition of a laboratory information systems vendor is sig-

nificant. GEMSIT realizes that it cannot deliver an integrated clinical information suite of products to health systems if it lacks an LIS product.

Moreover, because of the role radiology plays in many aspects of cancer diagnosis and treatment, GEMSIT would naturally be interested in the impact that molecular diagnostics will have on the oncology marketplace. Its acquisition of Triple G should also be viewed as part of GEMSIT's strategy to remain a major player in oncology, even as evolving technologies give pathology (molecular diagnostics) a greater role in detection, diagnosis, prognosis, and patient monitoring than it's had in the past.

Move Toward Universal EMR

Another aspect of this acquisition should not be overlooked. GE Medical Systems's announcement of the purchase of Triple G comes on the same day, July 26, as publication of the **RAND Health** study results and just days before the **Department of Health & Human Services'** announcement of the SNOMED CT and standardized electronic medical record initiatives.

From this perspective, GEMSIT's move to acquire an LIS vendor shows that it wants to position itself to offer a suite of integrated clinical software products that is compatible with the proposed standardized electronic medical record. **TDR**

Early-Adopter Laboratories Pursue This Innovative Solution

Online Distance Training Helps Labs Recruit & Retain More MTs

EDITOR'S NOTE: This is one of a series of intelligence briefings on effective management strategies for recruiting and retaining medical technologists (MT) and medical laboratory technicians (MLT) in tight labor markets.

By June G. Smart, Ph.D.

ONLINE DISTANCE LEARNING (ODL) is a powerful tool to combat the shrinking number of medical technologists (MTs).

That's the consensus of lab managers and pathologists who have first-hand experience with ODL-trained med techs in their laboratories. ODL is also an effective way to provide new career opportunities for laboratory staff and science graduates, further expanding the supply of med techs in a community.

In a previous issue, THE DARK REPORT profiled the MT online distance learning program offered by the **Medical College of Georgia** (MCG), in Augusta. (See TDR, June 16, 2003.) In this issue, lab managers actively using ODL training for med techs provide insight into the benefits and pitfalls of such programs. Ranging in size from a 55-bed hospital to the second largest laboratory facility in the United States, these labs are partnering with MCG to provide the clinical laboratory rotation portion of ODL medical technologist training.

CEO SUMMARY: One surprise about online distance learning (ODL) programs for medical technologists (MT) is that even small hospital laboratories can use them to recruit and train more MTs. Across the United States, a growing number of labs are experiencing a shortage of MTs in their local community. A handful of early-adopter laboratories has already recognized the benefits of online distance training as a way to develop more MTs to work in their labs. In this exclusive briefing, small and large laboratories report on their experience at using ODL MT training. Without reservation, they consider it a valuable management tool that they recommend to other laboratories.

From a strategic perspective, labs must have a plan ready to deal with the recognized national shortage of MTs. ODL is a valid tool for responding to this steadily-developing crisis in lab staffing. As the following case studies demonstrate, even smaller laboratories gain significant benefits from training MTs with an ODL program.

55-Bed Hospital Lab

Washington County Rgnl. Med. Center

"In small hospital settings, advancing the technical skills of even one person in the laboratory can have huge impact," stated Lynn Miller, Laboratory Manager of

ments prevented her from traveling the 70 miles to the MCG campus in Augusta.

"However, MCG's online distance learning program allowed Lord to continue her employment as an MLT, obtain her didactic training on the Internet and do her clinical training in our hospital laboratory," added Miller.

"We now have a great MT that already knows our lab. She can work any shift with no direct supervision and she earns about 20% more a year," Miller said. "And there were additional benefits. Everyone in the lab was enthusiastic about Lord's ODL training. Because of her, we all learned new things. The didactic material and Pam's questions made it a learning experience for us all!"

"Further, the time set aside for clinical training and exams was not a burden on our lab," continued Miller. "Lord's enthusiasm while earning her MT certification rubbed off on others. We now have phlebotomists showing an interest in the MT program."

Miller offered some caveats for other laboratories. "I recommend that any lab try this ODL MT program. It is cost-effective and quality learning for the staff. However, this is a rigorous program for students who maintain a full-time work schedule. So allow time for the student and make sure they have needed support," she advised.

Washington County Regional Medical Center in Sandersville, Georgia.

Miller's laboratory provides laboratory testing services to the 55-bed hospital and its related, 50-bed extended care facility on a 24/7 basis. "We have six MTs," she explained. "The ODL program made a big difference in our laboratory in positive ways we didn't anticipate.

"It started with our first ODL MT student," she noted. "Pam Lord was a medical laboratory technician (MLT) who had worked for years in our lab. Although almost 50 years old, she still dreamt of becoming a medical technologist. She obtained a Hope Scholarship from Georgia, but family and job commit-

“Retention of lab employees is important,” added Miller. “Long distance MT training is a great morale booster. It gives people hope in smaller towns, where they often have no nearby source for MT training.”

Such hope is important, notes Miller. “What makes the effort worthwhile is that we retain a good employee in our lab, provide staff with expanded career opportunities, and get better coverage in our lab,” stated Miller. “Losing an MT in a small lab like ours, means losing over 15% of the workforce. That hurts, because we have a smaller pool of qualified people to draw from than those in big city hospitals.”

400-Bed Hospital System Lab

Gwinnett Hospital System

In Lawrenceville, Georgia, Gwinnett Hospital System consists of three hospitals, totaling 479 beds. It also has additional healthcare facilities in the area. Recruiting healthcare professionals, including laboratory staff, is an ongoing challenge.

“Our laboratories employ 48 MTs and MLTs (Medical Laboratory Technologists),” observed Nancy Charron, Administrative Director of Laboratory Services at Gwinnett Hospital System. “MCG’s ODL program enabled us to offer a career path that allows the employee to ‘have-it-all’—a family, a job, and additional schooling. We had offered MLT and MT internships in the past, so this was an easy fit for us.

“Currently we have one student in the program,” said Charron. “She came to us with no laboratory background and will graduate in about one year. We prepare labs for her, help her with her reading, and administer tests. She is both motivated and self-directed. This is important, as ODL students

have much to do on their own if they are to come to the lab prepared. Conducting interviews with a potential student is very important. They need a high motivational quotient.”

Charron’s favorable experience with ODL training encouraged her to expand the program within her laboratory. The Gwinnett laboratory has a newly-hired MLT who is already accepted into the MT program. Three additional MLTs are completing their requirements to enter MCG’s ODL program.

“From my perspective as the laboratory administrator, the ODL MT program makes good sense,” she said. “It aids in recruitment and retention of lab staff. It provides career opportunities where none previously existed and it opens a career path for science graduates. That attracts new people to the field of laboratory medicine.

“Supporting an ODL student has been a great experience for us,” continued Charron. “Although there is a time commitment for the supervisors and lead techs, we have all become better informed, updated our technical knowledge, and been positively motivated.

“We did learn that communication is a huge issue,” she added. “It takes good organizational and communication skills to ensure that the college, the student, and lab supervisors are all on the ‘same page’ of the program. However, once you’ve done this for one student, the overall process is much easier.

“Online distance training has worked so well for us that we are now looking for opportunities in postgraduate training,” Charron said. “Because our staff is the future of our laboratory, we want them to pursue additional education. We are actively seeking program offerings and wish the laboratory profession did more to let us know where these programs are. It seems

like we often find such programs by chance.”

Independent Laboratory

Oregon Medical Laboratories, Inc.

Oregon Medical Laboratories, Inc. (OML) found itself with an interesting labor quandary. It is located in Eugene, Oregon, home to the **University of Oregon** and lots of graduates with a Bachelor of Science degree. But Oregon’s MT training is done 100 miles away, at **Oregon Health Sciences University** (OHSU) in Portland and OHSU offers no online distance learning program for MTs.

“OML employs about 200 MTs and MLTs,” stated Ran Whitehead, Chief Operating Officer at OML. “We have more open MT positions than we can fill and the average age of our MT workforce is 47. So we have immediate pressures to expand the number of MTs in our community, not to mention a few years out, when our long-established MTs begin retirement.”

OML is an independent laboratory company owned by **PeaceHealth**. In addition to an active business providing testing to physicians’ offices, it provides testing for 400-bed **Sacred Heart Medical Center** in Eugene and two smaller hospitals in central Oregon. It is almost half-way through a two-year program of MT online distance learning, funded in part by grants from the **Lane County Economic Development Agency**. (See *TDR*, October 28, 2002.)

“For OML, boosting the pool of MTs in Central Oregon is a key part of our business strategy,” stated Judith McClain, Education Coordinator. “OML has an active business providing testing services to a number of rural hospitals around the state. We want our online distance training program to be a resource for rural hospital labs as well as for OML.”

McClain is referring to the 30 hospitals which are members of **Health Futures**. Rural hospital labs in Health Futures are keenly interested in ODL and are willing to be clinical partners in ODL training for MTs.

“We are using Medical College of Georgia for ODL,” noted Gloria Foust, Human Resources Director at OML. “Out-of-state tuition is traditionally higher, but ODL reduces the university’s costs. To make ODL as cost-effective as possible for us, all our laboratories want to collectively bring more ODL students to MCG and other colleges and generate a price break for our students.”

McClain observed that “OML has a proactive business approach. This addresses both our immediate and future needs for trained laboratory professionals,” she said. “In so doing, it creates career opportunities for MLTs and science graduates to become certified MTs. These are higher-paying jobs for our science graduates in Eugene, who otherwise work as phlebotomists or lab assistants.”

OML does have criteria for its ODL MT students. “Such students must meet academic requirements and have high marks on a 360 performance appraisal,” stated McClain. “They are rewarded with tuition reimbursement for at least one year of the program, and the potential of higher pay when they graduate.”

In addition to MT certification through MCG’s ODL training program, OML has used ODL for the Molecular Laboratory Diagnostics Certificate program offered by **Michigan State University** in East Lansing, Michigan. “Our lab has additional needs in microbiology and the blood bank. We also need a vehicle to educate our staff in more specialized areas such as coagulation and gen-

Med Informatics Has ODL Program

ANOTHER AREA OF INTEREST for online distance learning (ODL) is medical informatics. Because laboratory test results form a large part of the patient health record, many lab managers have a keen interest in developing their knowledge and credentials in the field of medical informatics.

Oregon Health Science University (OHSU), in Portland, Oregon offers two ODL programs in medical informatics. One is a Graduate Certificate Program in Medical Informatics. The other is a Master of Medical Informatics. OHSU was among the first to offer a medical informatics distance-learning program.

About 200 students from around the world are currently enrolled in OHSU's two ODL medical informatics programs. More than half are physicians. Other ODL students have backgrounds in nursing, pharmacy, library sciences, health care administration and other fields.

To find out more about OHSU's ODL programs, go to www.ohsu.edu/bioc-informatics/distance/. Students that are members of the **Healthcare Information and Management Systems Society** (HIMSS) and the **Association of Medical Directors of Information Systems** (AMDIS) are eligible for a tuition discount of five percent.

omics. We are actively seeking ODL training programs that can support these needs," stated Foust.

OML recognized the economic benefits of ODL MT training. "To replace an MT costs OML approximately \$20,000," explained Whitehead "This covers lost productivity, sign-on bonus, backfill, advertising, training, moving expenses, and similar costs. We do this type of cost-benefit analysis when we

consider tuition reimbursement and the value of ODL training to Oregon Medical Laboratories."

National Laboratory Company

Quest Diagnostics Incorporated-Atlanta

Even within the national laboratory companies, the MT shortage has triggered active steps to utilize ODL MT training programs. One example is the laboratory operated by **Quest Diagnostics Incorporated** in Tucker, Georgia, which has employees participating in MCG's ODL MT program.

Located just north of Atlanta, the Tucker lab facility is one of the largest in the United States. Daily it performs between 80,000 and 90,000 lab procedures. According to Raymond L. Kaplan, Ph.D., Clinical Scientist at Tucker, there are always at least five to eight unfilled MT positions. "That's due to the ever-increasing volume of tests being performed, the introduction of new tests, and employee movement," he said. "Most open positions are on the midnight shift, which is always more challenging to staff. New science graduates pursue midnight shift positions as lab assistants, knowing that such a strategy will maximize their opportunity to move into MT positions once their education is complete."

"Our lab in Tucker has had a long relationship with Medical College of Georgia," stated Linda Keel, Technical Recruiter. "For years we have actively recruited senior MT students on the MCG campus. When the MT shortage started hitting us hard, we discovered MCG's ODL program.

"We quickly recognized the ODL MT program allowed us to create a promotional career ladder well-suited to the needs of our own science graduate employees, already working as MLTs, lab assistants or phlebotomists," recalled

Keel. “Quest Diagnostics provides 100% tuition reimbursement. This is a great incentive, particularly when combined with a higher pay grade after graduation.”

The upcoming school year will be the first time the Tucker laboratory has students involved in ODL MT training. “A student must first meet MCG’s qualifications,” noted Kaplan. “We then look at years of service and performance reviews. We are using a panel of people to determine eligibility criteria, as we can only take a limited number of students into clinical rotation.”

Because of strong interest in ODL MT training, Keel and Kaplan are developing a plan to partner with hospital labs in the area for those students that can’t do their clinical rotation at Quest Diagnostics Incorporated. “We realize there’s a risk of losing some of our people when they complete their training,” said Kaplan. “But most importantly, there are additional MTs out there providing patient care.”

At the moment, Kaplan and Keel expect that at least ten students from their lab will be in the ODL program for the fall term, with two or three students doing their clinical rotation at Quest’s Tucker lab. The remaining students will complete their clinical rotation at one of several local hospital laboratories. Kaplan also expects to have several students enrolled in the upcoming Molecular Diagnostic ODL program at MCG, anticipated to commence this fall.

Kaplan and Keel believe ODL will be immensely beneficial for their laboratory. They consider improved employee satisfaction, enriched employee opportunities, and progress toward meeting Quest Diagnostic’s business needs to be well-served by ODL training. “On a macro level, the benefits outweigh the costs,” noted Kaplan. “The costs of tuition reimbursement, time to fill open positions, advertising, training, and orientation are

clearly outweighed by the benefits of ODL. This is so obvious that we don’t need to do the math.

“In fact, we need to be proactive in attracting more MTs to our laboratory,” continued Kaplan. “This is a hub lab for Quest Diagnostics Incorporated. We do 98% of the testing that comes into this location. Our menu of complex testing is expanding. As a result, our needs are different from some of the smaller labs. We need proportionately more highly trained medical technologists to meet present and future needs.”

Expanded Use Of ODL

As the case studies presented here demonstrate, online distance learning for medical technologists is gaining rapid acceptance. Those labs which have tried it, endorse it—without qualification. That’s a powerful recommendation because it’s based on actual experience.

THE DARK REPORT predicts that several universities, like Medical College of Georgia, will emerge as the leaders in ODL training programs for various areas of laboratory medicine. Because such programs are cost-effective, the handful of labs using ODL training will increase substantially across the nation.

Lab administrators and pathologists should consider online distance learning as another effective tool to address the challenges of technical labor in the laboratory. On one hand, it is a way to attract and expand the pool of qualified candidates that can be recruited to work in the lab. On the other hand, for existing laboratory staff, it is a way to advance their personal careers while, at the same time, developing additional education and skills in more complex diagnostics that every lab will need over time. **TDH**

Contact Lynn Miller at 478-240-2146; Nancy Charron at ncharron@promina.org; Judith McClain at jmmclain@omlabs.com; Raymond Kaplan, Ph.D. Ph.Kaplan@questdiagnostics.com.

New York Labs Fight Medicare 20% Co-Pay

Medicare patients respond to educational inserts sent with lab bills and call their Congressman

CEO SUMMARY: *Participating laboratories in the New York State Clinical Laboratory Association (NYSCLA) generated a flood of calls to their state's congressional delegation in recent weeks. Included in their bill for lab testing, patients got a flyer telling them about pending legislation that would impose a 20% Medicare lab test co-pay and asking that they call their congressional representative to voice opposition.*

ONCE AGAIN, independent laboratories in New York State proved they can educate patients about legislation and motivate a substantial number of patients to call their elected representatives.

In recent weeks, independent laboratories in New York State mobilized to respond to the Senate's proposal, passed during the week ending June 27, to require Medicare patients to pay a 20% co-payment for Part B laboratory testing services.

During the time the bill authorizing this provision was debated in the House and Senate, independent laboratories in New York mounted a patient education campaign that triggered a sustained barrage of phone calls to the offices of the state's senators and representatives. At least one senator's office called a New York laboratory and asked that the informational campaign cease, because the wave of telephone calls had overwhelmed the senator's phone system.

"In New York, we know how to fight this battle," said Tom Rafalsky,

President of the New York State Clinical Laboratory Association (NYSCLA). "We borrowed a page from the playbook we used a couple of years ago. When state legislators surprised us with a tax surcharge on laboratory tests in 1997, several of our member laboratories began enclosing informational flyers about the tax with the bills they sent to patients. The flyers encouraged patients to call their representative or the governor's office and express their opinion about the lab test tax surcharge.

Overloaded Phone Systems

"Legislators overlooked the fact that labs in New York send out more than 100,000 patient bills per week," noted Rafalsky. "The number of phone calls generated by this campaign literally swamped the governor's office, the New York Department of Health, and the offices of state senators and representatives. We got their full attention and the lab test tax surcharge was eventually repealed." (*See TDR, February 17, 1997 and April 26, 1999.*)

(continued on page 17)

According to Rafalsky, independent laboratories such as **Enzo Clinical Labs**, **Quentin Medical Labs**, **Sunrise Medical Laboratory**, and **Universal Medical Laboratories** were among the lab companies which included flyers about the Medicare lab test co-pay legislation with bills sent out in recent weeks. Even on short notice, the educational effort had an impact, at least in some offices of the New York congressional delegation.

Calls To Hillary Clinton

“We know that Senator Hillary Clinton’s office was inundated with phone calls from seniors who wanted to object to the 20% lab test co-pay provision,” declared Larry Siedlick, CEO of Sunrise Medical Laboratory in Hauppauge, New York. “That’s because her office called me directly. I was told that the senator’s switchboard had been overloaded with constituent calls on the 20% co-pay issue for more than a week. It was specifically requested that we stop sending these informational flyers to patients!”

“The positive outcome was that I was given the opportunity to brief one of Senator Clinton’s legislative aides about the co-pay situation,” he continued. “Senator Clinton and her staff are now aware of the issue and the problems it will cause for both senior citizens and clinical laboratories. During the call I was reminded that this is a Republican measure and the Republicans control the Senate, so Senator Clinton’s ability to oppose or alter this legislation is limited.”

Untapped Lab Power

The efforts by independent clinical laboratories in New York demonstrate that the laboratory industry has great power to educate and influence—particularly if it will go directly to the public with its message. Repeatedly in past years, THE DARK REPORT has observed the the lobbying strategies and efforts of the lab

testing industry have been of limited effectiveness since the late 1980s.

During the past 15 years, reductions in laboratory test reimbursement, medical necessity coding requirements, failure to get regular yearly cost-of-living updates (authorized for literally all other healthcare services), and now the possible reimposition of the 20% patient co-pay provide ample examples of how ineffective the lab industry’s lobbying infrastructure has been. THE DARK REPORT advocates that, if what has been done in recent years isn’t working—then it’s time to try other lobbying approaches with Congress.

That’s why labs in other parts of the nation should emulate the technique used by labs in New York State: educate constituents by using informational flyers stuffed in patients’ lab test bills. In the battle to repeal New York State’s onerous 8.18% state lab tax surcharge, the court case filed by the lab industry went nowhere. It was not until patients, alerted by the flyers, began calling legislators that decisive action was taken and the lab tax surcharge was eventually repealed.

Time For Action

For laboratories across the United States, now is the time to act to oppose congressional efforts to require patients to pay the 20% co-payment on Part B Medicare laboratory tests. Were labs in communities around the country to begin sending similar informational flyers to patients in their lab test bills, elected officials in Congress on both sides of the aisle would get a message that would be tough to ignore.

As demonstrated in New York State, the “flyer in the bill” strategy can be the lab industry’s lobbying “ace in the hole!”

TDR

Contact Tom Rafalsky at 212-664-7999; Larry Siedlick at 631-435-1515.

New York Labs Trigger Tidal Wave of Phone Calls Information Flyers Sent with Lab Bills Motivate Patients to Call Congress

HERE IS THE FLYER alerting patients to the 20% Medicare Copay proposal pending in Congress. Independent labs in New York State inserted these flyers into patient bills which were mailed to patients.

With thousands of lab bills mailed weekly, the word spread quickly among seniors in New York. Many took direct action and called their senator or representative, jamming phone lines in some Congressional offices for as long as a week.

Immediate Attention
All Medicare Patients
**Congress to Require You
to Pay a 20% Co-Payment
for Lab Tests**

If Congress gets its way, all Medicare patients will have a new out-of-pocket 20% Co-Payment *every time* you get a Lab Test.

<u>Your Current Medicare Benefit</u>	<u>Proposed Plan</u>
NO OUT-OF-POCKET EXPENSE	YOU PAY 20%

Here are the facts:

- Lab tests are extremely important in your diagnosis and treatment
- For over 20 years, Medicare has paid for lab tests
- Congress wants you to pay a 20% Co-Payment Out of Your Pocket

What can you do?

- Call the White House at (202) 456-1111 and tell them **"NO 20% CO-PAYMENTS FOR LAB TESTS"**
- **TELL ALL YOUR OTHER FRIENDS WHO HAVE MEDICARE TO CALL**

CALL NOW BEFORE IT'S TOO LATE !!!!!

► **Demonstrating the Power of Going to the Public**

This is the second time in recent years that independent laboratories in New York State used lab test bills as a way to communicate important information to patients. When first used in the late 1990s, the technique generated such a public response that state legislators repealed an onerous 8.18% lab test tax surcharge. In recent weeks, independent labs in New York used the letter above to inform patients about the proposed 20% co-payment for Medicare lab tests. These flyers generated a flood of telephone calls to the New York State congressional delegation opposing the proposal to require Medicare patients to make a co-payment for laboratory tests.

INTELLIGENCE

LATE & LATENT
 Items too late to print,
 too early to report



Employers should brace for another round of higher health insurance costs. The early sign of more double-digit premium increases comes from California. Directors of CALPERS (**California Public Employees Retirement System**) voted to raise member HMO premiums by an average of between 16.7% and 18.4% for 2004. This comes on top of last year's average premium increase to members of 25%. CALPERS also raised co-payments for emergency room visits and non-formula prescription drugs for 2004.

Bio-Reference Laboratories, Inc. of Elmwood Park, New Jersey earned 37th place on *Fortune Small Business Magazine's* "America's 100 Fastest Growing Small Public Companies" list. Ranking criteria includes the most recent three years of growth in revenue, earnings, and stock performance. Companies must trade on a major exchange and have under \$200 million in annual revenue.

EVIDENCE BUILDING THAT CELIAC DISEASE IS MORE COMMON

Medical researchers are compiling evidence that indicates Celiac disease may actually be much more common than previously thought. Celiac disease is an autoimmune condition triggered by eating wheat, barley, and similar foods. The disease, if untreated, can lead to cancer, infertility, and osteoporosis. "The prevalence of the disease and the burden of illness related to this condition, particularly if it is not treated, are so high as to potentially support a policy of screening the general population," declared Alessio Fasano, M.D., Director of the Center for Celiac Research at the **University of Maryland** in Baltimore. New findings indicate that one in 150 people in the United States may have the disease. Because it is inherited, Celiac disease would be more prevalent than other genetic diseases such as cystic fibrosis and Type I diabetes.

ADD TO: *Celiac Disease*

Celiac disease is diagnosed by a blood test which detects specific gluten antibodies. The antibodies not only

attack the gluten protein, but also attack the intestine, producing a host of gastrointestinal problems. The advances in knowledge about Celiac disease, along with the estimate that more than 1 million Americans have this hereditary condition, now make it worthwhile for laboratories to offer specialized testing services. Laboratories may want to support local physicians by offering a clinical information package about this disease, along with an appropriate menu of tests for detecting the disease and monitoring the condition of affected patients.

DIANON ALUMNI FINDING NEW "HOMES"

There's been lots of departures among the executive team at **DIANON Systems**, following its acquisition by **Laboratory Corporation of America** this past January. The most recent departure was by Martin Stephanelli, DIANON's Senior Vice President of Sales, Marketing, and Business Development. Stephanelli is now the COO of **AmeriPath, Inc.**, based in Riviera Beach, Florida.

*That's all the insider intelligence for this report.
 Look for the next briefing on Monday, July 28, 2003*

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- ***Anatomic Pathologists in Florida Respond to Payer’s New Managed Care Contracting Strategies.***

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