



**Quest**  
Diagnostics®



# POWERING AFFORDABLE CARE

with lab stewardship solutions  
that drive strategic goals



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**The pressures of modern healthcare are bearing down on health systems like never before**—with challenges of high costs, staffing shortages, capital constraints, reduced reimbursement, and pandemic-induced industry transformation, the prioritization of value-based care is paramount.

More sustainable system models are required, yet many health systems neglect an effective source of savings: the diagnostic laboratory.



**A recent survey of hospital and health system leaders showed how lab stewardship programs have been used to improve lab operations in a complex healthcare environment.**

### Read on to understand more about:

- Challenges faced by health systems
- Prevalence of lab stewardship programs
- Lab stewardship benefits and limitations

With this information, you will have the insights to better determine the best course of action for your organization.

## Challenges confronting today's health systems

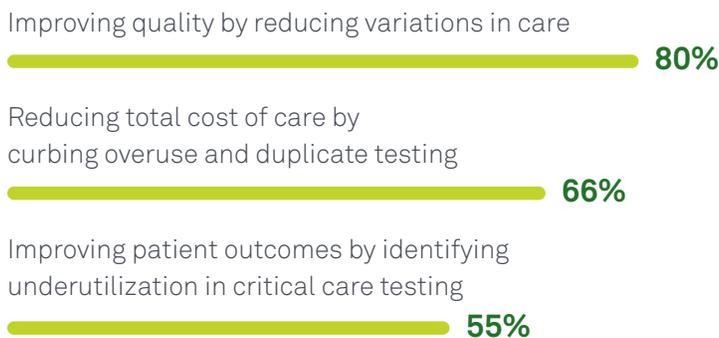
Data from a recent survey clearly demonstrate how a lack of resources—both human and financial—creates a significant barrier that impacts a number of strategic objectives.<sup>1</sup> Insufficient resources can also negatively affect the delivery of care across the inpatient and outpatient continuum.

### 3 top business challenges facing today's health systems<sup>1</sup>



These challenges highlight the importance of maximizing productivity and efficiency while also keeping physician support and patient access as top priorities. Leveraging diagnostic insights for more effective laboratory management and utilization across the organization can potentially mitigate the immediate resource burden and provide an opportunity to meet short-term strategic goals.

### The top 3 short-term goals of survey respondents\* align with the long-term value of a successful lab stewardship program



\*n = 96 hospital and health system leaders<sup>1</sup>

As health systems reap the rewards of short-term success, there is potential to free up resources to focus on other organizational priorities.

## Key findings: the clinical laboratory plays a vital role across the entire healthcare continuum

# 70%

of care-based decisions are informed by diagnostic testing<sup>2</sup>

# 54%

of genetic tests verified were incorrectly ordered and corrected to another test<sup>3</sup>

# 67%

of hospital lab directors see the lab as a cost center rather than a profit center<sup>4</sup>

# Lab stewardship can help health systems reach their goals and objectives

Despite lab stewardship programs being relatively nascent across the US healthcare system, survey data demonstrate healthcare leaders recognize its value in meeting systems goals and objectives.



**More than half (53%) of respondents believe lab stewardship is extremely important** in terms of eliminating wasteful practices (redundant testing, resource, and supply cost)<sup>1</sup>



**Nearly half (49%) report its importance** in optimizing patient care, continuity, and outcomes<sup>1</sup>

When asked what comes to mind when hearing the word lab stewardship, the large majority of health system leaders (67%) stated that ordering **the right test, for the right patient, at the right time is the primary objective** of their lab stewardship program, followed by standardizing provider ordering behaviors (45%), and reducing care variations (43%).

## Voice of the lab

*“I think lab stewardship is about understanding the value the lab produces. We need to be looking ahead at what changes are coming in the lab technology world.”*

— Medical Laboratory Director

**The sentiment of health system leaders is congruent with what lab stewardship can provide**—actionable data can help lower costs and deep utilization analysis can improve outcomes. As an added benefit, leveraging lab stewardship’s data aggregation capabilities allow for extraction of significant population health insights.



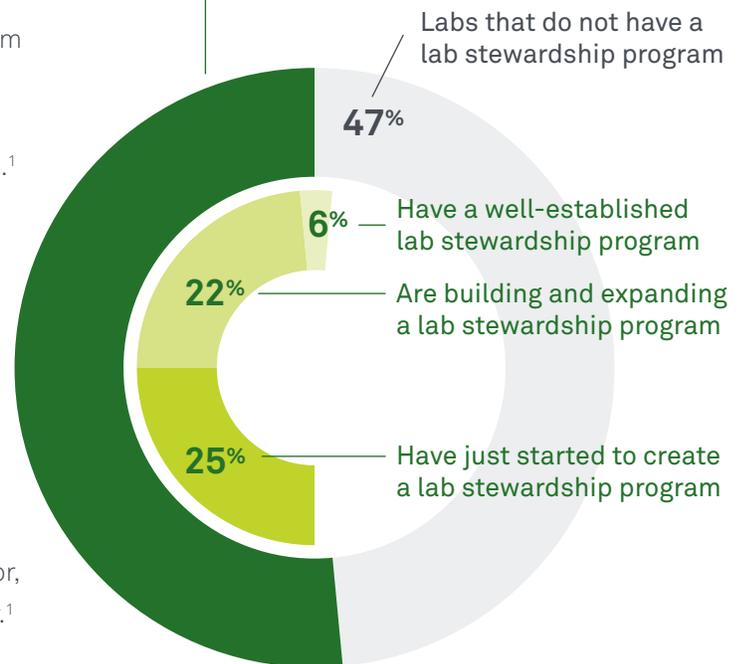
## Reinforcing strategic goals

The top strategic priorities of health systems—improving the quality of care, reducing the total cost of care, and improving outcomes—and the challenges—resources and finances—are remarkably consistent across organizations without respect to having a lab stewardship program.

Whether a health system has a lab stewardship program or not is influenced by a number of different factors. Those who have well-established programs are more focused on improving outcomes than those who do not.<sup>1</sup> While well-established lab stewardship programs are rare (6%), the current rate of implementation at some level (53%) demonstrates confidence in the ability of lab stewardship to influence positive organizational change.<sup>1</sup>

Of the health systems with a lab stewardship program, 82% have homegrown programs that use existing solutions and processes, and the remainder have partnered with an outside organization (lab vendor, group purchasing organization) or a consulting partner.<sup>1</sup>

**53%** of survey respondents have some type of lab stewardship program in place<sup>1</sup>



## Characteristics of lab stewardship organizations

According to the survey data, certain characteristics make organizations more likely to have a lab stewardship program. Independent hospitals, integrated delivery networks, and large hospital systems are more likely to have an existing lab stewardship program or have one in development. (Whether labs are managed centrally or decentralized does not seem to be a factor.)<sup>1</sup>

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# Demonstrating the value and impact of a lab stewardship program

Most organizations that do not have a lab stewardship program have not attempted to implement one, primarily due to competing priorities as well as a lack of expertise.

Homegrown lab stewardship programs face challenges in value perception. With 57% of organizations' lab budgets being leveraged for this investment, value illustration is critical.

Health systems with existing lab stewardship programs report 2 main limitations that lower the perceived value of their programs. Lab stewardship can provide value that addresses each of these limitations as detailed below:

## Challenges of lab stewardship programs



of organizations' would fund lab stewardship investments through their lab budget, making proof of value a priority<sup>1</sup>

## How a comprehensive lab stewardship program can help overcome the top reported obstacles to implementation<sup>1</sup>



### Provider resistance: 49%

**Lab stewardship value:** analytical lab stewardship tools provide lab leaders and clinicians a wealth of data-driven insights that are essential to controlling clinical variation, lowering costs, and providing value-based care



### Limited IT resources to build custom reporting and dashboards: 49%

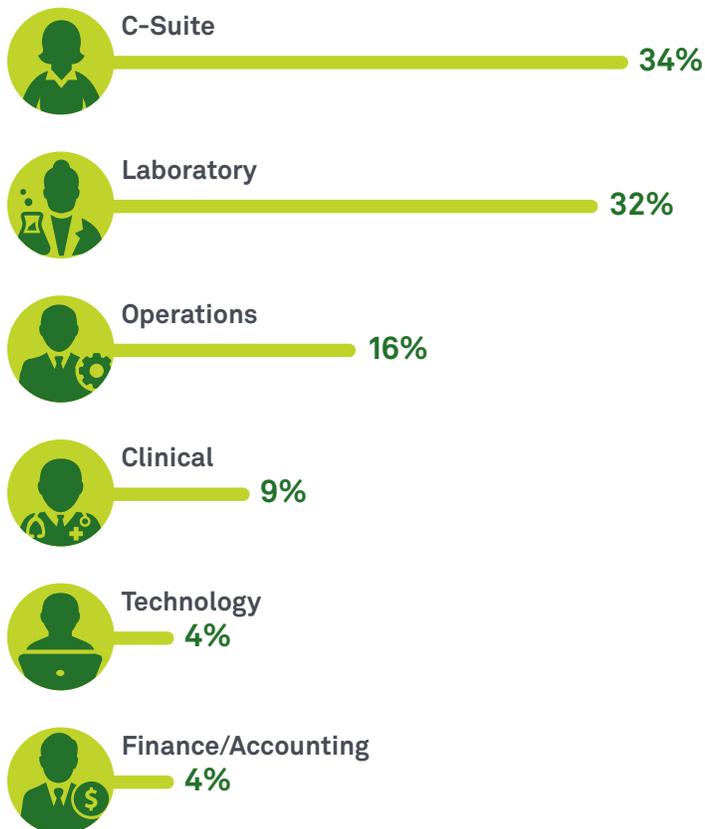
**Lab stewardship value:** collaboration with a vendor who provides a lab-focused electronic platform with preexisting reporting and dashboards can significantly decrease the effort to launch a lab stewardship program

## Finding a scalable solution

If you already have a lab stewardship program, collaboration with experienced advisors can help accelerate the rate of success. If you are an organization without a lab stewardship program, implementation is possible—you may simply need a solution tailored for your health system.

Many lab leaders and committee members of well-established lab stewardship programs leverage expert resources to help them organize their programs and identify areas of intervention.

### Health systems survey respondents belong to a number of different functional groups:



## Voice of the lab

# 40%

of health system leaders are willing to invest in lab stewardship programs within the next 10-12 months<sup>1</sup>

## POWERING AFFORDABLE CARE

elevating the lab from  
support function to  
strategic advantage



### Collaboration: the core element in success

Quest survey data show that **80% of health system leaders believe lab stewardship expert advisory services provide value** by helping meet their organization's top 3 goals<sup>1</sup>:

- Optimize patient care
- Improve operational efficiencies
- Drive financial improvement through cost reduction

### Lab stewardship can help accelerate progress across your healthcare system

If your health system is experiencing any of these issues or characteristics, a comprehensive lab stewardship program may be right for you.

- Your health system is experiencing challenges with multiple, siloed technology systems and overall lack of physician engagement, technology resources, and infrastructure
- Your health system doesn't have, or is preparing to form, a well-established lab stewardship committee
- Your health system has higher short-term priorities around shifting care delivery models and participation in value-based contracts
- Your health system's longer-term priorities continue to be aligned with care delivery models, avoiding provider burnout, and future-proofing the delivery model with AI and analytics

# The power of Quest Lab Stewardship

**When you're able to provide the right diagnostics to the right person at the right time, the quality of care goes up. And the cost goes down.** When more decisions are based on evidence, fewer tests are wasted. Diagnoses are faster. Hospital stays become shorter. Patients can return to good health faster.

Successful lab stewardship requires partnership with a company that provides the right mix of internal champions, experienced medical and program-focused experts, and a data platform robust enough to test, analyze, and report hypotheses. Quest Lab Stewardship solutions and advisory services provide actionable volume and spend data that can help lower costs; deep utilization analysis to identify trends in test selection and care variation so you can pivot and improve outcomes; and valuable population health insights.

## Quest Lab Stewardship embraces 3 basic principles to serve the goal of powering high-quality, affordable care:



### Using data to evaluate the current state of care

Better, more affordable care begins with a foundation of standardized care in a culture that drives high-value care initiatives



### Fostering collaboration to identify and act on potential improvements

Quest Lab Stewardship brings experience collaborating with hospital systems large and small to build successful lab stewardship programs that leverage your strengths to help you accomplish your goals



### Measuring success and building on it

We help you measure current performance, set goals for improvement, and track the impact of changes to set clinical, operational, and financial key productivity indicators and benchmarks

## Ready to do more for your patients and health system?

Get the conversation started at [QuestDiagnostics.com/HS-Contact](https://www.questdiagnostics.com/HS-Contact)

#### References

1. Quest Lab Stewardship survey: Health systems market. Sage Growth Partners. Published February 28, 2022. Accessed May 20, 2022.
2. Data on file. Quest Diagnostics; 2017
3. Becker's Hospital Review. Hospital labs: money pits or profit centers? Published April 18, 2012. <https://www.beckershospitalreview.com/finance/hospital-labs-money-pits-or-profit-centers.html>

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