

Key Strategies for Leading Healthcare Transformation

How the C-suite and lab leaders can partner to help overcome major organizational challenges



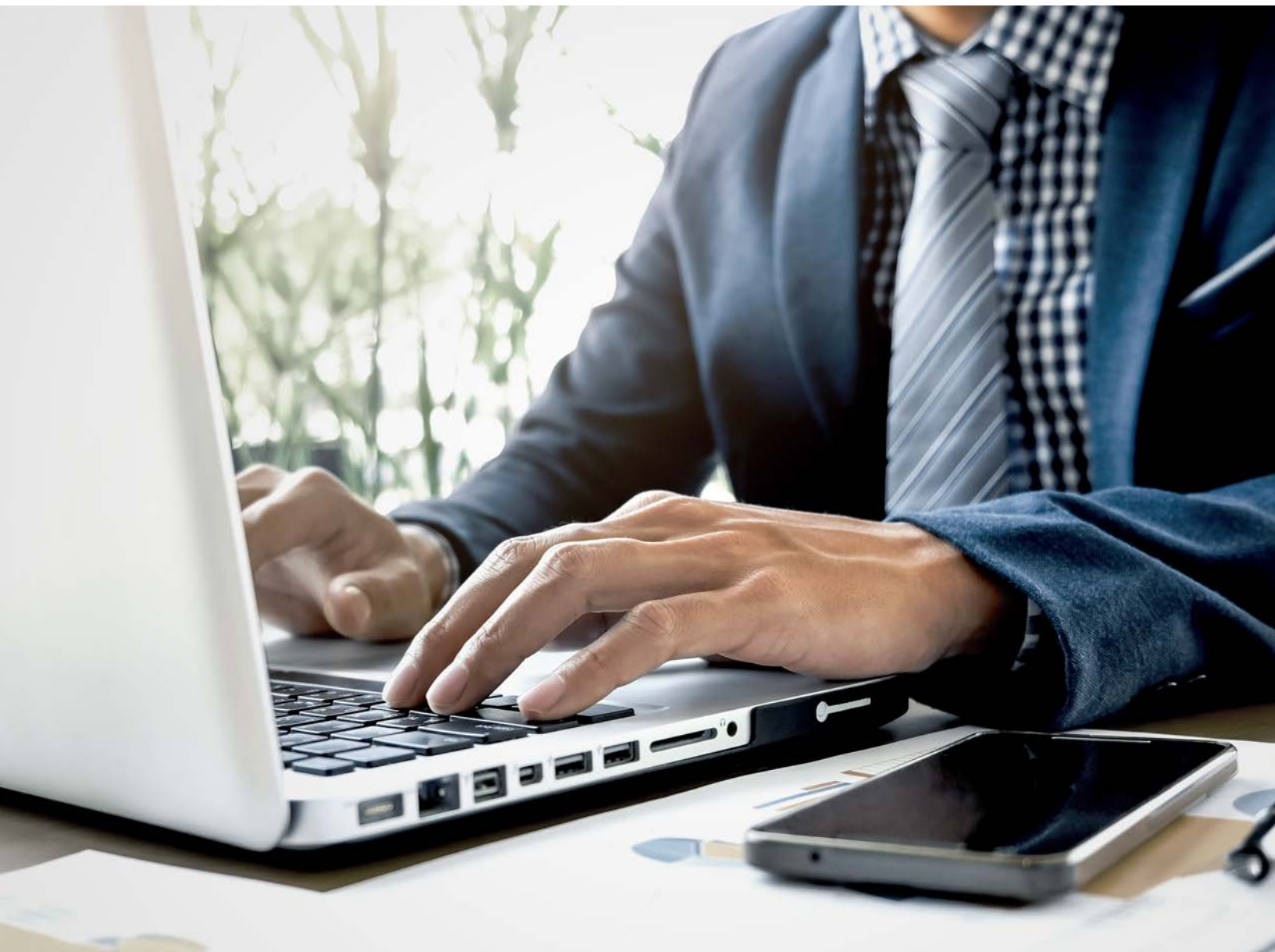
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EXECUTIVE SUMMARY

In late 2018, Roche partnered with C Space Health, a global customer agency, to conduct research with healthcare executives and lab leaders and gain insight into their biggest challenges within healthcare organizations. The goal was to uncover the top issues as well as the opportunities both groups saw for the lab to impact those areas while balancing patient care and the bottom line. Once the results of the research were gathered, Roche compiled this report.

Find out the top 12 issues facing healthcare organizations today. Then discover the ways three healthcare organizations addressed some of the leading concerns, including government reimbursements, cardiac patient care, and operations and technology, so you can apply their strategies within your system to help drive transformation and success.



DRIVE TRANSFORMATION AND FACILITATE CHANGE, STARTING NOW

Healthcare organizations are at the forefront of a paradigm shift. Due to mounting pressures from external forces and internal stakeholders demanding change, healthcare organizations need to bolster bottom lines and ensure that efficiencies are maximized to meet projected growth plans. All of these objectives must be achieved while rising costs and diminishing payment reimbursements are creating additional financial pressures.

For transformation to be successful, every department within a healthcare organization must step up and initiate change. One often overlooked area that can take a leadership role in this transformation is the lab. But do executive stakeholders view their lab as having a key role in transformation? Do lab leaders see themselves as enablers of innovation and growth?

To gain insight into these questions, Roche partnered with C Space Health to survey healthcare executives and lab leaders; this report is based on those findings.

Objectives of the study

1

Determine the potential gaps in perceptions between executives and labs pertaining to the major organizational challenges they are facing.

2

Identify how clinical labs and executives can help healthcare organizations overcome major challenges and concerns to achieve transformational goals.

METHODOLOGY

The survey was designed to first ask participants open-ended questions regarding the challenges they face in transformational efforts. Then, using an established list of issues informed by the open-ended questions, participants were asked follow-up questions that dug deeper into areas of highest need. Finally, the survey gauged whether the lab was perceived as a partner in helping impact these areas.

Who participated in the online survey?



106 healthcare executives
(CEOs, CMOs, CFOs, vice presidents, etc.)



100 lab leaders
(Lab directors, managers and vice presidents)

Part 1:

ORGANIZATIONAL CHALLENGES REVEALED

THE BIGGEST CONCERNS ARE SHARED CONCERNS

While two-thirds of respondents ranked financial challenges as the greatest organizational concern — mainly due to rising costs and diminishing payments/reimbursements — personnel shortages, government mandates, patient safety and quality, and patient satisfaction also are top matters.

Ranked 'Top Three' Organizational Challenges

	Executives	Lab leaders
Financial Challenges	66%	62%
Government Mandates	38%	26%
Personnel Shortages	32%	48%
Patient Safety and Quality	31%	30%
Patient Satisfaction	31%	28%
Value-Based Payments	30%	24%
Technology	19%	24%
Physician-Hospital Relations	19%	12%
Using Big Data to Improve Quality and Reduce Costs	13%	9%
Population Health Management	12%	14%
Infectious Disease Management	10%	11%
Antibiotic Stewardship	5%	8%

Top concern

Financial challenges overwhelmingly were the greatest concern for both groups, followed by government mandates for executives and personnel shortages for lab leaders.

Secondary concerns

While a handful of concerns registered as secondary issues both for executives and lab leaders, there wasn't shared agreement between the two groups on which specific concern was of secondary importance after financial challenges.

Tertiary concerns

Not surprisingly, technology emerged as a bigger matter for lab leaders, and physician-hospital relations was more of a concern for the C-suite. Like with the secondary concerns, however, there was no tertiary issue that bubbled up most for both groups.

“Reimbursement is diminishing and the cost to provide care is increasing,” said one survey respondent. “It becomes difficult to find a balance between patient care and fiscal responsibility.”



DIGGING INTO THE DEGREES OF CONCERN

Financial challenges were the overwhelming consideration when respondents shared how strong of a concern they had about each challenge. Value-based payments rose in importance both for executives and lab leaders, ladder up to the emphasis on finance. Yet patient satisfaction, safety and quality also held tight to some of the top spots.

Ranked Very Strong/Strong Concerns

	Executives	Lab leaders
Financial Challenges	90%	80%
Value-Based Payments	74%	68%
Patient Satisfaction	72%	68%
Patient Safety and Quality	67%	69%
Government Mandates	68%	67%
Personnel Shortages	63%	71%
Technology	60%	59%
Physician-Hospital Relations	57%	46%
Using Big Data to Improve Quality and Reduce Costs	53%	50%
Antibiotic Stewardship	37%	51%
Population Health Management	46%	41%
Infectious Disease Management	36%	50%

Top issues, based on degree of concern

Executives and lab leaders felt the most worried about the same top six issues, showing strong alignment. However, the C-suite was even more concerned than lab leaders about the top three challenges.

Upward mobility

Patient issues (satisfaction, safety and quality) rose in importance and nudged government mandates and personnel shortages down a bit, compared to the previous list. Technology and big data — ways to reduce costs and improve operational efficiencies — moved up as well.

Curious disparity

Infectious disease management and antibiotic stewardship were stronger concerns for lab leaders than for executives. Knowing the financial and patient impact that both these areas have in healthcare organizations, it was surprising the two did not rank higher with executives. Lab leaders are on the front lines dealing with both of these issues, however, and they may have more insight into the patient impact and the role they play in the healthcare system day-to-day.

Part 2:

HEALTHCARE TRANSFORMATION — A PARTNERSHIP

NAVIGATING CHANGE: A NEW PARTNER EMERGES

Healthcare systems are being challenged to increase value and efficiencies to deliver the same or better care at lower costs. To achieve sustainable, long-term success, healthcare organizations must undergo an evolution that involves viewing the lab as a partner and the lab rising to the challenge.

Executives and lab leaders alike consistently undervalue the lab's ability to impact their biggest organizational challenges. However, the lab is uniquely positioned to play a key role in healthcare transformation, as it can impact the areas that are critical to an organization's success: financial challenges and government mandates, quality of patient care, and operations and technology.

A Message to Lab Leaders: Ladder Up

Lab leaders have tended to be internally focused on daily lab operations. Yet **the overall well-being of any healthcare organization depends on its lab leaders to think and behave more strategically**, and executives are beginning to take note.

Lab leaders must not wait for senior management to invite them to take on a more strategic role. Rather, lab leaders need to communicate and demonstrate their strategic value by tying their routine operations to organizational efficiencies, via proactive discussions with the C-suite.

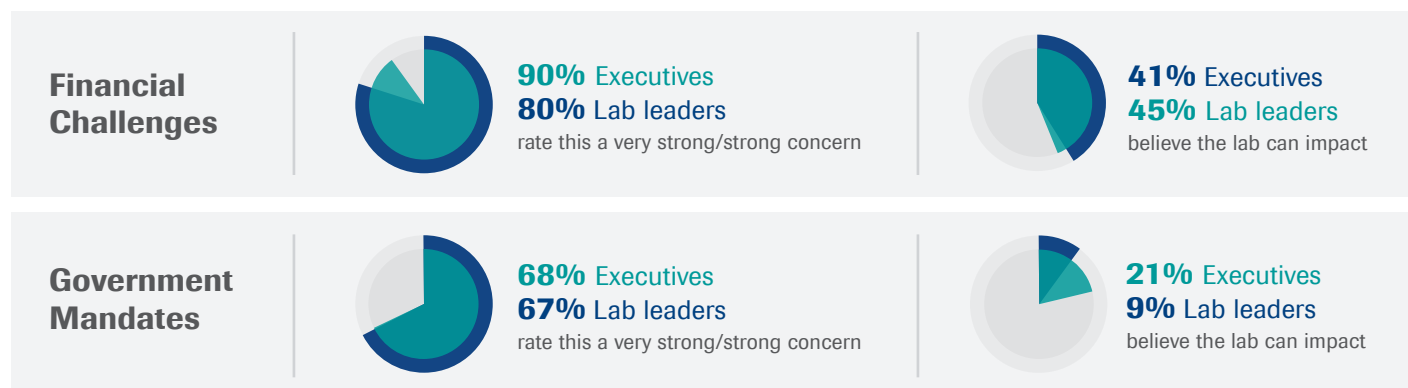


According to healthcare executives,
lab leaders should ...

“Get into the hospital’s organization and be ambassadors for the important role they play in patient outcomes.”

— Medical director

THE BOTTOM LINE IS TOP OF MIND



OPPORTUNITIES FOR LAB TO IMPACT FINANCIAL CHALLENGES AND GOVERNMENT MANDATES

Executives and lab leaders agree that labs can impact finances by better managing costs, investing in updated equipment and staying on top of ever-changing regulations and mandates.

Executives said the lab should	Transformation starts here Both groups said the lab should	Lab leaders said the lab should
<ul style="list-style-type: none"> Work with physicians to eliminate unnecessary tests. Shorten turnaround time on tests. 	<ul style="list-style-type: none"> Develop leaner processes that better manage costs, usage of staff and lab supplies. Invest in updated (automated) equipment. Increase in-house testing. Decrease use of reference labs. Analyze cost efficiencies of in-house testing. Let ordering physicians know which tests are reimbursable. Implement ongoing education and set up protocols to stay compliant across the organization. 	<ul style="list-style-type: none"> Enhance reimbursements by bringing in new tests and addressing medical necessity. Increase automation to reduce labor and improve quality and speed. Set up tracking and determine reimbursement.

Labs can begin where they and the C-suite agree they can impact change, creating a successful and lasting partnership that benefits the organization and its patients.

HOW GEISINGER HEALTH AVOIDED LOSING \$20M DUE TO GOVERNMENT REIMBURSEMENTS

Like many healthcare organizations, Geisinger Health was facing a significant loss of reimbursements driven by the Protecting Access to Medicare Act of 2014 (PAMA). With more than \$20 million at stake, this integrated health system enlisted the help of its partners, including Roche Diagnostics, to conduct a rigorous assessment and enact a plan for change.

Geisinger

RESULTS

Transformation Through Insight-Driven Strategy

With the help of Roche, leaders at Geisinger Health were able to identify key areas for improvement and take strategic actions to reduce costs and improve efficiencies. Together, these transformation drivers:

- Consolidated labs
- Reduced staff
- Expanded molecular, genetic and AP test menus
- Negotiated lower prices for reagents and reference tests
- Increased lab automation
- Improved the billing and collection processes

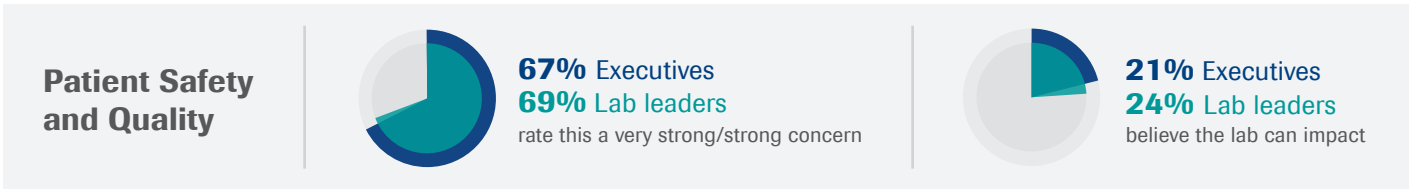
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“I think the best thing to do is learn the ever-changing rules to the game and play it better than anyone else.”

— Chief administrative officer



PRIORITIZING THE PEOPLE WHO MATTER MOST



OPPORTUNITIES FOR LAB TO IMPACT PATIENT SAFETY AND QUALITY

Executives and lab leaders agree that labs can improve these areas with timely, accurate results.

Executives said the lab should	Transformation starts here Both groups said the lab should	Lab leaders said the lab should
<ul style="list-style-type: none">▪ Integrate lab, electronic health records and other systems.▪ Establish guidelines regarding tests for clinicians.	<ul style="list-style-type: none">▪ Provide accurate and timely lab results.▪ Improve processes to avoid errors and sample mishandling.▪ Continue patient safety and quality assurance training.▪ Make customer service a priority, especially for phlebotomists.▪ Establish customer service training and create a culture of communication.	<ul style="list-style-type: none">▪ Notify clinical staff of critical values and medical alerts.▪ Use the patient portal to allow patients to access their results from the lab.

“Proper use of lab tests at the appropriate time can aid in a more rapid, accurate diagnosis, which can aid in meeting value-based targets. Overuse of tests can result in inaccurate diagnosis and increased cost.”

— Lab leader

Real-World Example

Healthcare Transformation in Action

HOW AN ACADEMIC TEACHING HOSPITAL SUPPORTED BETTER PATIENT CARE WITH QUICKER RULE-OUTS FOR MYOCARDIAL INFARCTIONS

Prior to introducing high-sensitive troponin testing, an academic teaching hospital with 600 beds saw in their two emergency departments about two-thirds of observation patients with symptoms of chest pain. Protocols used at this particular healthcare organization included testing overnight and often a functional study the next day. That approach required longer stays and additional testing to rule in or

rule out a myocardial infarction (MI). This hospital was the first health system in its state to implement high-sensitive cardiac troponin testing, Elecsys® Troponin T Gen 5 STAT. The effort was ultimately successful in supporting the organization's mission to improve patient care, due to the combined efforts of the lab, cardiology and emergency departments.

RESULTS

Transformation Through Confident Decision-Making

By implementing high-sensitive cardiac troponin testing, this academic teaching hospital:

- Identified troponin that was not detectable with previous-generation troponin assays
- Gained quicker rule-outs
- Gained quicker rule-ins
- Allowed for faster turnaround time in the emergency department
- Saved costs

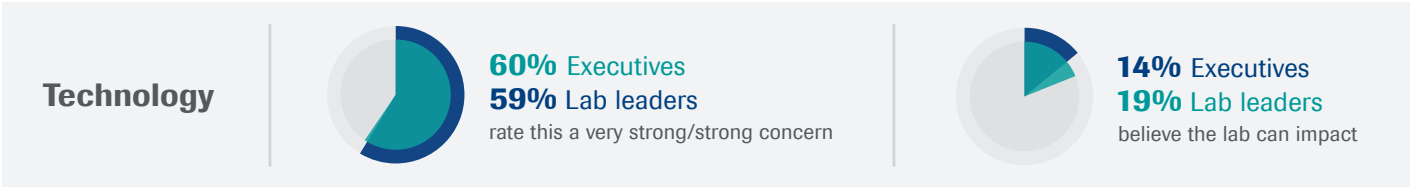
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“Quality plays a huge role in cost of care and patient satisfaction. You also get penalized financially for poor clinical performance. Implementing and monitoring best clinical practice is a high priority for many critical reasons.”

— Chief administrative officer



INNOVATION FOLLOWS THE LAB LEADER




OPPORTUNITIES FOR LAB TO IMPACT OPERATIONS USING TECHNOLOGY

Both groups agree that labs are seen as leaders in the use of technology within their organizations. Implementation of newer, more advanced systems with automated technology can improve operational efficiencies to enable better patient care, as well as reduce workflow demands and free up staff for other, more critical tasks.

Executives said the lab should	Transformation starts here Both groups said the lab should	Lab leaders said the lab should
<ul style="list-style-type: none">▪ Interface directly with electronic health records to minimize manual input of test results.▪ Keep up with changing technology to help organizations stay competitive.▪ Create better working conditions.	<ul style="list-style-type: none">▪ Invest in up-to-date technology to reduce costs and increase accuracy and speed.▪ Lead the way in the proper utilization and acquisition of new technology throughout the organization.	<ul style="list-style-type: none">▪ Educate staff and physicians about new tests and interpreting results.▪ Invest in equipment that allows more automation.▪ Offer more flexible scheduling and use non-technical staff when possible.

“Having the newest technology in the laboratory will improve revenue and keep costs down in the long run.”

— Lab leader



HOW HUNTSVILLE HOSPITAL INCREASED MEDICAL VALUE BY INVESTING IN TECHNOLOGY

Huntsville Hospital is grounded in one mission above all else: improving the health of patients. As the lab faced rising costs, growing annual billables and other challenges, compromising the quality of patient care was not an option. Instead, Huntsville Hospital decided to look at its labs holistically and consider how to improve operations.

Huntsville Hospital partnered with Roche Diagnostics. Together, they evaluated how consolidation and standardization could help cut costs while maintaining excellent service. This plan would enable the hospital to not only continue delivering first-rate care to its own patients but also expand community outreach. In essence, Huntsville Hospital would be able to use its lab systems more effectively to provide a larger number of patient test results without increasing costs.

RESULTS

By transforming its lab, Huntsville Hospital reduced direct costs, salary costs and worked hours for billed tests. It also:

- Increased testing capacity without adding more employees
- Reduced send-out test volume to account for less than 5 percent of testing
- Improved employee satisfaction by enabling medical technologists to focus on key samples that require human expertise
- Maintained high quality of care

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“The technologies used by the lab drive the use of technology in other areas. In this sense, the lab is a leader in technology, and through systems integration, provides a strong influence in advancing technology throughout the hospital.”

— Director, information management



CONCLUSION AND KEY TAKEAWAYS

TRANSFORMATION ENABLERS ARE IN YOUR ORGANIZATION. ARE YOU LEVERAGING THEIR POTENTIAL?

One key insight rang true from the Roche and C Space Health research study: Healthcare executives and lab leaders share a lot of common ground. Finances are a major source of tension as organizations aim to deliver on the overwhelming objective of decreasing costs while improving care. Transformational strides are the only effective way to move forward. The lead enabler, though not often recognized as such, is the lab. It's the one area that is uniquely positioned to help lead the charge, as it can impact the areas that are critical to an organization's success and its bottom line.

With lab-led efforts, it's possible to initiate healthcare transformation today, not only to achieve financial goals but also improve patient care, operations and technology. The pressure is on: Lab leaders must engage the C-suite proactively and share strategies designed to benefit the overall organization and its patients, embracing a holistic, non-siloed approach.

Such engagement from the lab can improve the financial health of the organization and impact those individuals at the center of the healthcare system — patients. Through total alignment, enlightened lab leaders and executives can work together to support better outcomes for their employers and for the communities in which they live and work.

“Think as a system — looking at opportunities to improve quality, communication and customer service while controlling expenses.”

— Vice president, hospital operations

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