

LABORATORY INDUSTRY REPORT™

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Startup LabFinder Wants to Better Connect Patients with the Right Labs

A New York City physician has started up a business that aims to be a price and services clearinghouse and records depository for patients wishing to choose specific laboratories.

Robert Segal, M.D., is a cardiologist rather than a pathologist. But he said he founded LabFinder because of the ongoing stream of complaints he received from his insured patients about charges from out-of-network labs they thought their insurance carrier covered.

“We want to make the jobs of patients easier, and complement individual laboratories and their patient portals,” Segal said. He added that the ultimate goal is closer interworking relationships among patients, labs, physicians and insurers, which he noted are often siloed. LabFinder has about \$5 million in financial backing from private in-

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Quest Enters Into Management Agreement with Denver-Based Hospital System

Quest Diagnostics has continued its expansion into the sphere of hospital laboratory operations, this time entering into a pact with the Denver-based HealthONE System. An affiliate of the for-profit HCA, Inc. chain, HealthONE operates eight hospitals in Colorado.

Under the terms of the agreement, Quest will manage the laboratories of six of the facilities in the Denver area: The Medical Center of Aurora; North Suburban Medical Center; Presbyterian/St. Luke's Medical Center; Rose Medical Center; Sky Ridge Medical Center; and Swedish Medical Center.

“The partnership with Quest Diagnostics will benefit our patients, physicians and hospitals,” said Gary Winfield, M.D., HealthONE's chief medical officer. “Quest's experience and expertise in these operations is excellent and the partnership will bring increased efficiency to our clinical labs along with enhanced quality, consistency and communication.”

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■ **STARTUP LABFINDER WANTS TO BETTER CONNECT PATIENTS WITH THE RIGHT LABS**, *from page 1*
vestors. It is providing similar coordination for seeking and using imaging services as well, which can also lead to surprise out-of-network bills for some patients.

LabFinder's website allows patients to order tests at labs that are within their insurers' network. It has about 95 tests on its menu—mostly basic urine or blood tests and panels. Or patients can use their physician scrip to order other assays. Each test request is then synced to the networks of about 100 different insurers or third-party administrators to determine which lab is covered for that patient. For patients without insurance or willing to pay out of pocket, they can order tests with a specific price attached, typically in the low to mid two figures for a urinalysis or blood test.

"Labs do a great job marketing to doctors, but they don't do a great job marketing to patients."

— Robert Segal, M.D.

"We have sort of created an (electronic medical records system) without the physician notes," Segal said. He noted that in many instances patients are seeing a primary care physician and a variety of specialists, often making the appropriate sharing of lab results among the parties in a timely fashion challenging.

Once the results are available, patients can view them through a portal. The data is also easily shareable with other providers who need access to the test results.

In addition to helping patients, Segal also envisions the LabFinder site as a promoter of walk-in patients to laboratories. Participating labs pay a monthly fee of \$300 a month per draw center or testing site. Segal noted that the fee usually pays for itself after the first couple of tests are ordered.

"Labs do a great job marketing to doctors, but they don't do a great job marketing to patients," Segal said.

The service launched in March after three years of planning. So far, 2,200 patients have registered to use the service, and about 1,000 tests are being processed per month through LabFinder. Segal said both numbers have exceeded his expectations.

So far, LabFinder has five labs in its network, primarily small to medium-sized regional operators, including Manhattan Labs, Empire City Laboratories and Sunrise Medical Labs. But it recently signed up BioReference Laboratories, one of the biggest regional labs in the Eastern United States and a wholly-owned subsidiary of OPKO Health. That will allow LabFinder to expand into New Jersey and Connecticut, where BioReference has a large presence. It also will allow LabFinder to operate outside of the highly rigid regulatory environment for laboratory operations in New York State.

That will pave the way for an expansion into other parts of the U.S. Segal said he eventually hopes for the service to go national.

None of the labs participating in the LabFinder network were immediately available to comment.

Takeaway: LabFinder is putting a new twist on patient portals and direct-to-consumer services for laboratory testing. 