

Inside Track

March 2005 Volume 34, Number 3

CLP

ARUP Laboratories

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An Interview with Ronald L. Weiss, MD, MBA

President and COO, ARUP Laboratories; and Professor of Pathology, University of Utah School of Medicine

ARUP Laboratories, Salt Lake City, is a national reference laboratory and a worldwide leader in innovative laboratory research and development. Owned by the University of Utah, the laboratory's clients include more than half of the nation's university teaching hospitals and children's hospitals, major commercial laboratories, military and government facilities, and

major clinics.

In a recent conversation with Clinical Lab Products, Ronald L. Weiss, MD, MBA, president and COO of ARUP, warns that while the future of the laboratory industry looks bright, there are dangers lurking that threaten its vitality. According to Weiss, education is the best defense.

CLP: Please provide some background information on ARUP.

Weiss: ARUP is a national esoteric reference laboratory wholly owned by the University of Utah and operated by its department of pathology. [The laboratory] was established in 1984 and currently provides reference laboratory services to hospital laboratories and independent laboratories throughout the United States. With a menu of more than 2,000 laboratory tests and test combinations, ARUP serves as the source of information and clinical decision-making knowledge for clinicians and their patients at these client sites. Laboratory medicine and anatomic pathologic services, including molecular pathology, also are provided.

With strong depth in all of the subspecialty areas of pathology and laboratory medicine, ARUP's goal is to be a transparent extension to the local and regional provision of excellent health care by providing ready access to laboratory results and consultation. With robust information technology platforms, including computer-to-

computer interfaces and a proprietary stand-alone PC workstation, orders and results are delivered accurately and expeditiously.

CLP: How is the company structured?

Weiss: Both the chairman of the board/CEO and the president/COO are practicing pathologists. Senior management also includes a strong mix of highly experienced medical technologists, laboratory scientists, and seasoned businessmen and women. The board of directors includes many prominent, well-respected members of the Salt Lake City business community, as well as the senior leadership of the University of Utah.

CLP: Please explain the relationship between ARUP and the University of Utah. How did this relationship develop?

Weiss: ARUP always has been a part of the University of Utah Health Sciences Center. With a mission whose cornerstones include excellence in patient care, research, and education, ARUP supports the academic and service mission of the department of pathology and the university. ARUP is a key operating division of the department of pathology and depends upon this relationship for its needed depth and breadth of subspecialty expertise in pathology and laboratory medicine.

CLP: What needs does the company satisfy within the clinical laboratory market?

Weiss: ARUP's strength as an esoteric reference laboratory is its commitment to excellence in patient care. This means a strong commitment to quality, both analytical and service. In addition, ARUP focuses on esoteric testing and not on routine, physician office services. This leaves our clients in the position of being, with our support, the local and regional providers of care.

We also want to ensure our clients' continued success by supporting them with transferring testing technology to their own laboratories. If it makes more sense, both clinically and economically, to transfer a particular send-out test in-house, rather than continue to send it to ARUP, we will assist them in that effort by providing access to our experience with methodology and to previously analyzed specimens for validation.

CLP: The organization states that it does 98% of its tests on-site; what are the benefits of this practice?

Weiss: The first of two benefits to this is the concept of one-stop shopping. We are the single source for the vast majority of a client's send-out needs. Secondly, having a single testing site dramatically reduces the opportunities for misplaced, lost, or compromised specimens. The logistics are straightforward, which eliminates potentially complicated transfers of specimens to multiple sites.

CLP: What innovative services are being developed by ARUP?

Weiss: ARUP has a strong commitment to research and development. We focus on new and innovative testing, particularly in molecular diagnostics, and on improving the analytical quality and cost-effectiveness of existing test methodologies. Our faculty and research staff are prolific publishers in peer-review medical literature, prominent presenters at national specialty meetings, and sources of continuing education experience for our clients.

CLP: ARUP offers a variety of educational vehicles for those working in the industry to continue their education. Why is this important to the company?

Weiss: As a learning organization anchored in an academic institution, our commitment to supporting the professions of pathology and laboratory medicine is a cornerstone of our mission. It is one way to promote excellence within the practice of these specialties and in general health care. We provide more than just laboratory results and information—we strive to provide knowledge that ultimately benefits patients.

CLP: What industry challenges have you faced, and what has the company done to overcome these issues?

Weiss: The laboratory industry has consolidated over the past 15–20 years and has faced strong downward pressure on reimbursement in both the Federal insurance and private insurance programs. As a result of this, a commitment to providing high-quality service at a reasonable price has allowed ARUP to continue to outgrow the annual industry growth rate.

We also work closely with our colleagues in the organized pathology and laboratory medicine industries to continue to demonstrate to payors the value of what we do.

CLP: Where do you see the clinical lab industry heading?

Weiss: I think that the long-term outlook for the clinical laboratory industry continues to be bright, especially with the promise of new technology in molecular diagnostics and therapeutics. There will, no doubt, continue to be bumps along the way, particularly as the Medicare and Medicaid programs face the effects of a large Federal budget deficit.

Laboratories have been a familiar target for cost-savings strategies. We need to be unrelenting in our work to keep us out of those crosshairs. Continued cuts threaten to undermine our effectiveness as care providers. Our efforts as both an industry and as private citizens should be on educating Congressional lawmakers and the Administration about the value of pathology and laboratory medicine.

A different kind of threat that continues to lurk is the threat that emerging infectious diseases pose to the public health of our nation. Whether through an act of bioterrorism or the emergence of a new and deadly agent like avian influenza, both public health and private clinical laboratories need to be vigilant guardians of the public health, and unified in their ability to respond quickly and effectively should an event like this occur. This has the potential to be a very effective nationwide partnership.

CLP: What does 2005 hold for ARUP?

Weiss: Our future continues to be bright. We have a solid business model grounded in our commitment to quality health care.

Lori Sichtermann is associate editor of Clinical Lab Products.

March 1, 2005
