

Interview by Dottie Dunham, Associate Editor

New president, Dr. Weiss, reveals ARUP's strategy for the future

Dottie Dunham: As the new president and chief operating officer, what general issues and specific trends will ARUP Laboratories address in the clinical laboratory segment of the market over the next five years?

Dr. Ronald Weiss: Economic predictions indicate a continued growth in healthcare spending, especially by hospitals. Explanations include the impact of: rising per capita income and the propensity of young adults and "baby boomers" to use healthcare resources; new, expensive technology; workforce short-

ages; the rising cost of labor; increases in the incidence and associated comorbidity of chronic diseases (especially obesity and diabetes mellitus); and the rising costs associated with malpractice concerns. As hospital spending increases, I believe, so will laboratory spending.

ARUP's challenge will be to meet these demands for growth in services, but to do so with high quality and rea-

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sonable cost. An inherent part of this challenge is to develop and introduce, in a medically responsible way, new laboratory technology. A good example is molecular diagnostics, especially molecular genetics and disease-predisposition assessment. Because of social, psychological, ethical, and economic considerations, and just because we have the technical ability to do so, it does not necessarily follow that we have the responsibility to do so. This does not mean that we have to stifle innovation; it is the backbone of American scientific excellence. We just need to be sure that we are doing the right thing.

Dunham: In your 2002 MLO interview, you mentioned that you believed the diminishing size of our national laboratory workforce would have the greatest impact by 2007. Since we last spoke, how have new ARUP developments been implemented to ease the workload of laboratorians? What preparations is the company making for easing the problems compounded by the continuing personnel shortage? Lab automation has eased some of the stress associated with that shortage. What other cutting-edge technol-

ogy and new testing products do you foresee in the clinical laboratory?

Weiss: The growing crisis in healthcare workforce supply and demand has not abated. Our focus at ARUP continues to be on successful recruitment of good people into "good fit" positions, and then long-lasting retention of them. We work diligently to make ARUP a place that people want to work and where they will enjoy working. We continue to foster an environment of mutual respect, professionalism, open communication, and personal integrity. We endeavor to provide competitive compensation, liberal benefits, and opportunities for personal and professional development. In recognition of these continued efforts, ARUP has been named, for the second year in a row, one of *Fortune* magazine's "The 100 Best Companies to Work For." In 2003, ARUP was ranked 82nd, and, for 2004, it was ranked 65th.

Turnover can be the bane of an organization's existence, particularly when you consider the cost of recruitment and training for vacated positions. We strive for a low turnover rate while, at the same time, we recognize that many of our staff have career development needs and goals, which may eventually take them away from ARUP. We are also guardedly optimistic as we are beginning to see renewed interest locally in medical laboratory sciences careers. Enrollment is up in both our medical technology and medical laboratory technician training programs in Utah.

Automation continues to be a focused solution for ARUP. By that, I mean, we use automation selectively to improve the efficiency of very specific tasks. Our primary focus has been on the "front-end" pre-analytical activities of test request, specimen triage, specimen sorting, and then storage post-analysis. ARUP is currently in the process of doubling its specimen conveyor



Dr. Ronald Weiss is ARUP's president and chief operating officer, most recently functioning as senior vice president and director of Business Development. From 1993 until 2002, he served as the company's chief medical officer and director of laboratories. Also a professor of pathology at the University of Utah's School of Medicine, Dr. Weiss is board certified in anatomic and clinical pathology, microbiology, and hematology. He is a fellow of the College of American Pathologists and the American Society of Clinical Pathologists. Dr. Weiss received his MD from Creighton University and his MBA from the University of Utah.

and sorting capability, and has just opened a robotic specimen storage and retrieval facility with the capacity to house over 2.5 million specimens at any one time. We are also watching closely the proven development of “direct-from-track” instrument-sampling capability, the continued evolution of high-throughput random access platforms, automated sample preparation and instrument delivery interfaces, and reagent-less technology, such as tandem mass spectrometry. The latter has proven useful not only for small analyte determinations but also complex protein analysis.

We also follow with interest the developments in genomics and proteomics, particularly microarrays. Although this technology may still be years away from routine use in the clinical laboratory, it is nonetheless very promising. Related to this is the renaissance in anatomic pathology as a practice. Molecular diagnostics has, in many ways, reinvigorated anatomic pathologists. It has created new opportunities to complement the essential use of traditional morphologic microscopy. The emerging pathologist of today and tomorrow will be so much more knowledgeable, sophisticated, and capably equipped with new tools than his predecessors.

Dunham: Do you see currently evolving or new government regulations changing the dynamics of the clinical laboratory in the coming year? With the combination of rising healthcare costs and legislative cutbacks adversely affecting labs, what is ARUP’s strategy in planning for cost-effective laboratory testing?

Weiss: 2003 was a reasonably successful year for the laboratory industry when you consider federal regulatory impact. The massive Medicare reform bill recently signed by the President was “good news” and “bad news” for pathologists and laboratories. The good news is that we were able to successfully prevent the reinstatement of the beneficiary 20% copayment for laboratory services. This would have been extremely burdensome for both laboratories and beneficiaries had it been included. The bad news is that we had to accept a five-year freeze in the CPI update to the clinical laboratory fee schedule, effective Jan. 1, 2004. Although the industry will continue to lobby for an early reversal of this freeze,

Congress may be reluctant to consider it in the face of the cost of the prescription drug benefit and the increase in the physician fee schedule — prominent elements of the new legislation.

We will also watch carefully the implementation of the competitive bidding demonstration project for laboratory services to CMS, also included in the bill. Perhaps greater near-term concern is the proposed rule from the Office of Inspector General on “excessive charges” from labs to Medicare. If the rule is finalized in its present form, it could be very costly not only to laboratories but also to healthcare in general. There are active efforts to modify or eliminate this proposed rule.

Regarding cost-effective laboratory medicine in the face of continued cutbacks to reimbursement and compensation, laboratories cannot go it alone in response. We need to continue to work with other providers, professional societies, insurers, patient groups, and our colleagues to provide high quality, medically proven, and responsible pathology and laboratory services. Clinically effective service *is* cost-effective when viewed in the context of the entire patient encounter.

Dunham: With its affiliation with the University of Utah, does ARUP offer continuing education opportunities. If so, can you give us a glimpse of what those are and how laboratorians can benefit from them? Do your customers benefit from any general education offerings?

Weiss: Education is mission-critical for ARUP. Because our parent organization is the University of Utah, continuing education is a natural element of our culture. From formal training programs in medical laboratory science (MT, MLT, MS), cytopathology (CT), and pathology residency and subspecialty fellowships, to continuing education (ACCME and PACE), to personal development, to client education, we are committed to education and lifelong learning.

We have established the ARUP Institute for Learning, with divisions that emphasize general staff development, medical/technical development, professional development (including career management, and leadership development), lifelong development (including lifestyle programs), and client development. Training formats in-

clude traditional didactic learning, as well as online programming. We reinforce the importance of lifelong learning by offering tuition reimbursement for employees, spouses, and dependents enrolled in accredited colleges or universities. For our clients, we offer continuing medical education programming in pathology and laboratory medicine, as well as programs in customer service and sales training.

Dunham: ARUP’s customer service department is staffed 24 hours a day and receives over 2,500 calls per day, indicating that the company is geared toward customer satisfaction. What improvements in customer service do you anticipate? In what ways do you plan to expand your communication services with your customers?

Weiss: Without effective and responsive customer service, even the best of clinical laboratories will be reduced to mediocrity. As you indicate, we handle approximately 60,000 calls per month through our client services department. Our standard practice is to quickly and completely respond to client inquiries with a minimum of transfers. Effective communication also means providing ready access — primarily through electronic means — to any and all information which pathologists, laboratorians, clinicians and, ultimately, patients need to make informed diagnostic and management decisions. We use a variety of means to accomplish this, including a user-friendly, content-rich website, computer-to-computer interfaces, and referral testing connectivity solutions.

Yet, behind all of this, there needs to be ready access to the experts in all subspecialty areas of pathology and laboratory medicine. Our experts provide both the content and the consultation necessary to act transparently as subspecialty “extenders” to community-based pathologists. We continue to grow the number of computer interfaces that we provide. For our PC-based laboratory workstation (System 2000), for order-entry-and-result inquiry, we will be adding functionality to further enhance the timeliness of specimen transport and triage. All of these strategies are designed to improve and expedite the pre-analytical and post-analytical processes required of any effective clinical laboratory. □