



A workshop for leveraging your laboratory's value proposition

June 18-20, 2014

Demonstrating Lab Value: Why Your Lab Is More Important Than You Think

The sluggish economic recovery coupled with the impact of national healthcare reform requires hospitals and health systems to implement cost-cutting measures, face significant reductions in payer reimbursement, improve patient outcomes, and manage population health initiatives. To date, more questions than answers exist, but key answers may reside in the often-overlooked clinical and anatomic pathology laboratory.



Laboratories have a unique opportunity to make a substantive impact within hospitals and across the health system as an increasing number of organizations are looking to integrate services and operate more efficiently. The value of the laboratory and its contribution to both short- and long-term sustainability of health systems are centrally important in the era of new care delivery and reimbursement models.

Traditionally, laboratory testing has been viewed as a commodity with value that did not extend beyond producing a test result. Forward-thinking labs are now positioned to combine powerful data with information services to deliver actionable knowledge that significantly impacts the time to diagnosis, the cost of treatment, and the resulting impact on the patient. Now is the time for laboratory leadership to articulate this value and demonstrate why the laboratory is among the most important services in the continuum of care.

The ARUP Consultative Services team has designed a conference that will equip your laboratory leadership with the tools necessary to position your organization to successfully navigate uncertain times. Attendees will hear from industry leaders as they address the value of successful laboratory and outreach operations, why investing in a cutting-edge information system is essential, and how to leverage the power of laboratory data.

Don't miss out on this valuable opportunity to hear from industry leaders and network with your peers.

Conference Topic Highlights

- ▶ Gain and leverage healthcare finance knowledge to position the laboratory as a valuable resource to key decision makers.
- ▶ Receive actionable intelligence to highlight the laboratory as a health system asset.
- ▶ Discover lab opportunities that meet the challenges of healthcare reform.
- ▶ Increase awareness of the pathologist as not just a generator of data but as a lab consultant.
- ▶ Learn how to create buy-in at the senior management level for laboratory initiatives.
- ▶ Explore strategies that create laboratory operational efficiency through lab consolidation.
- ▶ Craft a laboratory value proposition that communicates the essential role laboratory services play within the hospital and across the health system.
- ▶ Evaluate strategies to protect the not-for-profit laboratory industry.
- ▶ Examine the nuances of managing an outreach business in an academic setting.
- ▶ Hear from a nationally recognized healthcare system that is leveraging lab data through a physician score card.
- ▶ Understand how sales strategy contributes to successful outreach operations.
- ▶ Learn how to maximize the lab's most powerful asset: data.
- ▶ Position your laboratory to make an impact on test ordering.

Conference Value

- ▶ Tailored to hospital outreach programs, this conference offers an interactive, hands-on experience, providing attendees with the tools necessary to translate theory into action.

- ▶ Conference presenters are experts with many years of experience in their respective field, including technology, academic medicine, lab operations, healthcare consulting, and healthcare finance.
- ▶ The conference offers an exceptional opportunity to network with laboratory professionals from successful outreach programs around the country.
- ▶ Following the conference, participants will have the confidence to effectively communicate to executives and organization leaders how the lab can function as a respected healthcare-reform partner.

Conference Outcomes

At the end of the conference, participants will be able to:

- ▶ Reinvest capital to accelerate development and growth of the lab.
- ▶ Utilize data to position the lab with ACO development.
- ▶ Leverage laboratory data to improve clinical decision making.
- ▶ Discover opportunities in a well-established outreach sales strategy.
- ▶ Assess risk in laboratory business decisions.
- ▶ Understand the importance of utilization management in a risk-sharing model.
- ▶ Craft a laboratory value proposition that delivers an effective message across the organization.

Who Should Attend

- ▶ Health system and/or hospital chief operating officers and vice presidents
- ▶ Ancillary services administrators
- ▶ Laboratory administrators
- ▶ Laboratory directors and managers
- ▶ Laboratory outreach directors and managers

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Registration Information

Attendance will be limited to the first 26 registered participants. The conference registration fee is \$250 and will include: Wednesday night's networking event, training materials, lunch on Wednesday and Thursday, snacks throughout the conference, and transportation between the Hilton at Salt Lake City Center and ARUP Laboratories, as well as to the airport and hotel immediately following the conclusion of the conference.

Conference Schedule

A more detailed agenda will be provided at the conference.

Day 1—Wednesday, June 18

- 8:00 AM Board shuttles at the Hilton and depart for ARUP Laboratories
- 8:30 AM Welcome to ARUP Laboratories, light breakfast
- 9:00 AM Session presentations
- 9:45 AM Break
- 10:00 AM Session presentations
- 11:00 AM Lab tour
- 12:00 PM Lunch
- 1:00 PM Session presentations
- 2:00 PM Break
- 2:15 PM Session presentations
- 3:15 PM Panel discussion
- 4:00 PM Adjourn and board shuttles for return to the Hilton

Networking Event—Wednesday, June 18

- 5:00 PM Meet in hotel lobby to depart for Squatters
- 5:15 PM Networking opportunity at Squatters

Hotel Information

The Hilton at Salt Lake City Center will be hosting our conference attendees. The Hilton has guaranteed a rate of \$139 per night for single and double occupancy, which can be extended to include the three days before and after the conference dates, subject to availability. This rate includes a complimentary breakfast buffet, in-room wireless internet connection, and overnight self-parking. Attendees are responsible for making their own hotel reservations. Reservations may be made via the exclusive group online reservation link or by calling (800) HILTONS [(800) 445-8667]; please use "ARU" as the group code to secure our special group rate. To ensure room availability, reservations must be made prior to May 5, 2014.

Day 2—Thursday, June 19

- 8:00 AM Board shuttles at the Hilton and depart for ARUP Laboratories
- 8:30 AM Networking, light breakfast
- 9:00 AM Session presentations
- 10:00 AM Break
- 10:15 AM Session presentations
- 11:30 AM Lunch at Red Butte Gardens
- 1:00 PM Session presentations
- 2:00 PM Break
- 2:15 PM Session presentations
- 3:15 PM Panel discussion
- 4:00 PM Adjourn and board shuttles for return to the Hilton

Day 3—Friday, June 20

- 8:00 AM Board shuttles at the Hilton and depart for ARUP Laboratories
- 8:30 AM Networking, light breakfast
- 9:00 AM Session presentations
- 10:00 AM Value proposition workshop
- 11:30 AM Adjourn and board shuttles for return to the Hilton

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Outreach Conference Sessions

Don't Look Far from Home to Grow Your Outreach Business

Robert L. Challender, MBA—Chief Operating Officer, Department of Pathology and Laboratory Medicine, University of Pennsylvania Health System

Large health systems are complex, multi-site organizations generally comprised of numerous hospitals, system-owned physician practices, independent practices, and multiple laboratories.

Laboratory business that should stay in-house has a tendency to stray outside the health system's laboratories, leaking thousands of tests and potentially millions of dollars to other lab service providers.

There are various reasons as to why lab-leakage occurs, including inadequate customer support by the system's lab(s); poor phlebotomy-site access for patients; managed-care contractual issues; and test menu offerings that do not meet physicians' needs and/or expectations.

During this session, participants will:

- ▶ Learn how to utilize EHR/CPOE systems to glean information about potential lab business leakage
- ▶ Understand how to approach ordering clinicians to end the flow of business to outside providers
- ▶ Manage a multidisciplinary project involving information systems, referring clinicians, and laboratory and financial professionals

Financial Models for Building Laboratory Business

Robert Schmidt, MD, PhD, MBA—Medical Director, Informatics, ARUP Laboratories

Laboratory leaders are increasingly faced with the challenge of securing existing business and building new business while working under budget and reimbursement constraints. In many hospitals, the laboratory administrative staff does not have access to the financial reports necessary to demonstrate profitability or make informed business decisions. In addition, lack of experience with financial-modeling tools prevents managers from applying risk analysis to market opportunity to fully understand and maximize revenue potential. As such, opportunities for growth may be suboptimal or missed altogether.

This session will focus on cutting-edge techniques that incorporate risk, facilitate the comparison of multiple alternatives, and provide insight into laboratory business

decisions. In addition to instruction on building a financial model using Microsoft Excel and Palisade Decision Tools, attendees will learn how to use decision trees and simulation models to evaluate laboratory revenue growth opportunities.

Following this session, participants will:

- ▶ Determine when advanced modeling techniques are likely to be helpful
- ▶ Explain how simulation models are used to incorporate risk analysis in business decisions
- ▶ Build simple models using Excel and add-in tools to analyze business decisions using decision trees and simulation

Implementing a Diagnostic Utilization Management Program

Joe Miles, MT(ASCP), MHS—Senior Consultant, ARUP Laboratories

As healthcare moves away from payment for volume toward payment for performance and quality outcomes, hospitals and healthcare systems are under tremendous pressure to reduce waste and assist physicians in becoming more efficient and in achieving the best possible patient outcomes while controlling and reducing total cost of care.

Establishing an early and accurate diagnoses is the first step in reaching these goals. This involves effectively utilizing diagnostic tools to ensure that the right diagnostic test is performed on the right patient at the right time.

Progressive organizations are preparing for the shift to greater risk-sharing reimbursement arrangements by developing diagnostic utilization-management programs that focus on test formulary development, institutional policies that support the implementation of the formulary, and a governance structure to manage the formulary program.

During this session, participants will learn:

- ▶ Why healthcare entities are evolving into value-based organizations
- ▶ A process for developing an institutional, diagnostic, utilization-management program
- ▶ Methods to successfully develop and implement test formularies
- ▶ Strategies for creating and maintaining cultural change through the implementation of a utilization-management program
- ▶ Examples of financial benefits experienced with the adoption of diagnostic formularies

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Laboratory Consolidation Within a Health System: A Winning Strategy

Priscilla R. Cherry, MBA, MT(ASCP)—System Executive Director, Laboratory Services, Mission Health

Healthcare reform and economics are driving dramatic changes in healthcare delivery, forcing health systems to monitor growth and optimize efficiency, quality, and access. Pathology and laboratory medicine are perfectly positioned to address new healthcare reform by providing better, more effective care while reining in rising costs.

Information from laboratory tests enables early detection and targeted therapy that can change the course of costly and damaging disease, including cancer, HIV, and diabetes. Health systems benefit substantially if providers institute care that is consistent with consensus clinical guidelines, particularly for costly chronic diseases. Likewise, continuity of care is necessary within the healthcare community to appropriately manage patient care. Laboratories must be involved in care continuity, working seamlessly with health system to ensure that efforts aren't duplicated and relevant clinical information is provided.

During this session, participants will learn:

- ▶ Why Mission Health is consolidating and integrating its laboratory services
- ▶ How to begin the consolidation process
- ▶ About opportunities for improved efficiencies
- ▶ What Mission Health learned about its outreach program and how it's using that knowledge to prepare for growth

The Value of the Laboratory: Invest or Outsource?

Suzanne Carasso, MBA, MT(ASCP)— Director, Business Solutions Consulting, ARUP Laboratories

The anemic economic recovery, in combination with the impact of national healthcare reform, is putting pressure on the healthcare industry to navigate reductions in reimbursement, implement cost-cutting initiatives, and improve patient outcomes and quality of life. Changing the way healthcare is delivered and paid for is the new imperative.

Laboratories have a unique opportunity to substantially impact both short- and long-term sustainability of hospitals and health systems. Many organizations still view the laboratory as a commodity. Some systems are selling laboratory and outreach operations to private equity firms, joint venture capitalists, or national laboratories in exchange

for an immediate infusion of money. As such, laboratories that fail to demonstrate value to the organization face an uncertain future.

During this session, participants will learn to:

- ▶ Identify leading industry trends driven by healthcare reform
- ▶ Evaluate the impact of these trends on hospitals, health systems, and laboratories
- ▶ Discuss the value of the laboratory to hospitals, physicians, and patients
- ▶ Examine scenarios of hospital ownership vs. outsourcing laboratory services
- ▶ Describe the laboratory value proposition
- ▶ Define specific ways in which the laboratory provides value

Outreach Conference Faculty

Scott Blaylock, MBA—Consultant, Consultative Services, ARUP Laboratories

Mr. Blaylock is an accomplished business professional with more than five years of sales and marketing experience. He joined ARUP in April 2012 as a consultant on the Consultative Services team in ARUP's Business Development Department. With extensive experience in business-to-business development and market research, he uses both his current skills and past experience to thrive in the ever-changing healthcare environment. His current responsibilities include updating clients on fluctuating market conditions and analyzing pre-analytical, analytical, and post-analytical laboratory-service functions. Mr. Blaylock received a bachelor's in marketing from the University of Utah David Eccles School of Business and an MBA from Western Governors University.

Suzanne Carasso, MBA, MT(ASCP)— Director, Business Solutions Consulting, ARUP Laboratories

Ms. Carasso, the director of Business Solutions Consulting at ARUP, is a medical technologist and business professional with more than 25 years of technical and management experience in the healthcare industry, with a primary focus market analysis, operations improvement, and business planning for hospital laboratories and health systems. She is responsible for working with ARUP clients to develop laboratory business services or enhance existing business units. To date, she has worked with more than 30 hospitals and health systems to analyze market opportunity and

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develop business plans designed to inform and engage executive leaders and secure capital investment for laboratory business operations. Ms. Carasso received a bachelor's degree in medical technology from the University of Tennessee Center for Health Science and an MBA from the University of Colorado at Denver.

Robert L. Challender, MBA—Chief Operating Officer, Department of Pathology and Laboratory Medicine, University of Pennsylvania Health Systems

Bob Challender is the chief operating officer for Penn Medicine's Department of Pathology and Laboratory Medicine. He joined Penn Medicine in 2008 and currently directs the clinical and business operations for all the divisions of pathology and laboratory medicine at the Hospital of the University of Pennsylvania, Penn Medicine's flagship hospital. He is also the corporate director of laboratory services, leading all laboratory system-wide integration projects for the University of Pennsylvania's Health System. Prior to his appointment at Penn, Mr. Challender was a senior financial executive for more than 13 years at two publically traded drug-development companies, where he oversaw all areas of financial, commercial, and operational analysis, as well as real estate management functions across more than 15 countries.

Mr. Challender attended Rutgers University where he received a bachelor's in computer science and an MBA with a specialty in finance. He successfully completed the Wharton School's curriculum in the Academic Medicine Leadership Program.

Priscilla R. Cherry, MBA, MT(ASCP)—System Executive Director, Laboratory Services, Mission Health System

Priscilla Cherry is the system executive director of laboratory services for the Mission Health System in Asheville, NC, a nonprofit regional referral system for western North Carolina. Prior to her current position, Ms. Cherry was the president of laboratory services for Fairview Health Services in Minneapolis, Minnesota, a director of consulting for Premier, Inc., and a regional laboratory administrator for Kaiser Permanente. She is an experienced executive in laboratory medicine with more than 30 years of achievement as a healthcare professional. She is adept at providing continuity and consistency of laboratory care across complex environments and is skilled in supporting and encouraging physician relationships.

Ms. Cherry received a bachelor's degree in medical technology from the Medical University of South Carolina and an MBA from the Weatherhead School of Management, Case Western Reserve University. She holds a Lean certification from the University of Michigan School of Engineering.

Leigh Huynh, MBA—Consultant, Consultative Services, ARUP Laboratories

Ms. Huynh is an accomplished business professional with more than 10 years of healthcare-related experience. She has worked closely with ARUP clients for eight years and has extensive experience in business-to-business development, market research, and demographic analysis. In her current consultant position on the Consultative Services team in ARUP's Business Development Department, Ms. Huynh is responsible for working with hospitals and health systems to grow laboratory business services. She provides clients with up-to-date market information; analyzes pre-analytical, analytical, and post-analytical functions of laboratory services; and defines revenue opportunities. She received a bachelor's degree from the University of Utah and an MBA from Westminster College in Salt Lake City.

Casey Leavitt, MBA—Program Director, Consultative Services, ARUP Laboratories

Ms. Leavitt has worked in the healthcare industry for 19 years and is currently the consultative services program director at ARUP Laboratories. Prior to her position at ARUP, Ms. Leavitt was the referral development director for University of Utah Health Care, where her primary responsibility was to develop and strengthen relationships with the university's regional referring providers and facilities. She was also the director of managed-care contracting for the University of Utah Medical Group, where she was responsible for negotiating contracts, worth more than \$220 million in annual revenue, with commercial payers on behalf of over 850 primary and specialty care physicians.

Ms. Leavitt has worked for a number of healthcare startup organizations and began her career at Intermountain Health Care, implementing several successful projects focused on operational efficiency, patient satisfaction, and quality improvement. She received a bachelor's degree from Utah State University and an MBA from the University of Utah.

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Joe Miles, MS—Senior Consultant, Consultative Services, ARUP Laboratories

Joe Miles, senior consultant for business development at ARUP Laboratories, has more than 30 years of management experience in laboratory operations and outreach development. In his current position, Mr. Miles provides ARUP clients with operational assessments, process and infrastructure improvement, utilization-management development, and strategies for outreach business development. Mr. Miles is also a leading contributor to the development of ARUP business strategies in response to new healthcare delivery models emerging from the national healthcare reform movement.

Mr. Miles received a bachelor's degree and medical technology training at the University of Colorado and earned a master's degree in healthcare systems from the University of Denver. He has presented at national meetings and written regularly for industry publications. He has been active for more than a decade in lobbying congressional offices on issues affecting the laboratory industry and was a founding board member of the CLMA PAC.

Richard Reitz, BS—Chief Operating Officer, Premier Cardiovascular Consultants, Heart Attack and Stroke Prevention Alliance

Mr. Reitz has more than 20 years of sales and marketing experience, with a focus in diagnostics sales and marketing, practice development, process improvement, and employee development. He is currently the chief operating officer at Premier Cardiovascular Consultants and the Heart Attack and Stroke Prevention Alliance, working with companies like Boston Heart Diagnostics, Janssen Pharmaceuticals, and Medtronic to design and implement practice improvement in the area of cardiovascular disease.

Mr. Reitz has worked with medical diagnostics companies such as Quest Diagnostics and Dominion Diagnostics, as well as biotech companies and hospital systems. Prior to starting his own consulting company, he worked for Nichols Institute (now part of Quest Diagnostics) as a sales executive and trainer responsible for sales growth in the San Francisco and San Diego markets. He specializes in strategy, training, and education for hospital systems engaged in outreach services. He received a bachelor's degree from the University of California, Los Angeles.

Robert Schmidt, MD, PhD, MBA—Medical Director, Informatics, ARUP Laboratories

Dr. Schmidt is a medical director of informatics at ARUP Laboratories and an assistant professor of pathology at the University of Utah School of Medicine, as well as a director of the Center for Effective Medical Testing and medical director of the Clinical Laboratory at the Huntsman Cancer Hospital. Prior to completing medical school, Dr. Schmidt was an assistant professor of operations management at the Carlson School of Management at the University of Minnesota and an associate professor of clinical operations management at the Marshall School of Business at the University of Southern California.

Dr. Schmidt's medical research focuses on diagnostic testing, specifically utilizing his business background to complement medical knowledge in performing evidence-based evaluation of diagnostic testing. His research includes comparative effectiveness, cost-effectiveness, and utilization analyses of diagnostic tests, as well as operations and technology management related to diagnostic testing. He is certified in clinical pathology by the American Board of Pathology.

Ran Whitehead, MBA—Chief Executive Officer/Chief Mission Officer, PeaceHealth Laboratories

Mr. Whitehead is the chief executive officer and chief mission officer at PeaceHealth Laboratories, which provides comprehensive laboratory services throughout Oregon, Washington, and Alaska, with specialty testing across the United States. Mr. Whitehead's knowledgeable and forward-thinking leadership has empowered the company's reputation for technical and clinical excellence, collaborative partnerships, and innovative programs. With more than 40 years of experience in the laboratory industry, Mr. Whitehead has led myriad successful laboratory initiatives like the distance learning program, which was adopted by laboratories across the country. He received a bachelor's degree in medical technology from Michigan State University and an MBA from Duke University.

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