

# Service Excellence in Hospital Laboratory Outreach

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**O**n the way into your office early Monday morning, café macchiato latte firmly in hand, you pass by a small group of outpatients waiting to have their blood drawn by one of your in-house phlebotomists. As you log onto your computer and review your carefully designed daily operations dashboard, you think about the usual suspects' patient service centers (PSCs) you pass by on the way to work every morning. You may have even recently noticed new laboratory names appearing, possibly including laboratories from neighboring hospitals. You begin to wonder, "What are these other laboratories doing with my patients?" It might even be your hospital CEO or CFO wondering, "Why are those other labs stealing my revenue?"

Assuming you don't ignore this momentary lapse of sanity, you are about to enter into a zone not to be embarked upon by the faint of heart. Life as you know it, and more importantly life as your staff knows it, is about to change.

### Service Excellence, Outreach Style

Congratulations, your hospital laboratory is running like a top. Service excellence is what we call it now. Although you understand that this is a race without a finish line, you're confident that your customers within the hospital and the medical staff would describe themselves as satisfied, or maybe even very satisfied, with the laboratory service you provide.

Laboratory outreach is about laboratory testing, but only a little. This fact is sometimes challenging for a seasoned laboratory manager, and even more challenging yet for hospital laboratory professionals to accept. You've mastered testing and testing quality, but on a scale of all the complexities associated with a successful outreach program, the testing component will be the least of your worries.

It is crucial that you don't underestimate your competition by falling into a false sense of security by assuming that your laboratory's quality is better than that of the regional and national laboratories you're about to compete with. This may be contrary to beliefs deeply held by a majority of your laboratory staff, but the fact is that the testing quality provided by these laboratories is likely as good as yours. When you consider the entire laboratory outreach experience, theirs is probably better.

Your competitors have developed a relationship with patients and physician clients in your area and have invested significant resources in order to solidify these relationships. Your patients and physicians are leading a double life. They see you as competent as their in-patient laboratory provider, but rely on someone else to service their other laboratory needs.

Essentially, every operational component associated with laboratory outreach has a corresponding service aspect. Many of these will be at cross purposes with your current inpatient/outpatient requirements and operational processes. The information you will need to obtain on an ongoing basis, as well as the processes you need to change in order to stay competitive, can be overwhelming.

Developing an internal focus versus a customer perspective is a common pitfall. As you enter the laboratory outreach market, you must resist the rational urge to focus on the internal implications of all the details associated with your new service requirements. Efficient identification and execution of internal operational requirements are critical, but the essential difference between excellence in the outreach space and something less is the foresight to objectively access your operation from the outside looking in.

### Testing

As mentioned earlier, outreach service excellence is less about testing and more about efficient execution of operational requirements. However, testing menus and turnaround times are a critical service component. One advantage associated with embarking on an outreach program is the ability to capitalize on excess capacity and fixed expenses. In many cases, however, the test menu, testing times, and reporting capabilities required for outreach are different from those of hospital inpatients. You will need to understand the testing and reporting services that physician offices are accustomed to now. These services are often less a function of what they need versus what they are currently getting, and therefore will expect.

Commercial laboratories run a significant portion of their testing menu on afternoon and night shifts in order to report a majority of results by the time physician offices open in the morning. Many of the tests that you currently send to a reference laboratory are run and reported the next day by commercial laboratories. Therefore, the turnaround times you provide for these tests can be days longer than that of your competitors.

You should understand the service shortfalls in your testing capabilities based on client interviews, determine the minimum service levels they will accept, and then make appropriate adjustments. Once you communicate turnaround time commitments,

it is imperative that you validate this service level by measuring it on an ongoing basis.

### Client Setup

The better your client setup process, the less time will be taken from servicing your existing client base.

Preparing clients properly is the first step and most efficient path to service excellence. By both identifying and then eliminating problems at the beginning, the client will have more tolerance for unanticipated problems.

Standard client setup packages and protocols should be created and rigorously adhered to. Setup packages should include,



at a minimum: client supplies appropriate for the type of account and projected volume; a checklist that is developed to communicate services the client can expect; contact information; operating hours; an assessment of the computer and telecommunication capabilities; and a mechanism to gather appropriate information regarding specific client requirements.

Some protocols developed for hospital patients will have to be adjusted to accommodate outreach patients and testing. For example, critical and abnormal phone notifications should be reviewed with the medical director and communicated to your clients. A physician that accepts your inpatient notification limits may not want the same criteria applied to his or her outreach patients. This may be particularly true in the case of specialists where significantly abnormal results are expected. It is better to communicate these criteria in advance rather than having to deal with an irate client after an early-morning phone call is made.

Once a client is set up, it is essential to initially monitor the activity on a daily basis, both from inside the laboratory and with the appropriate individuals within the client office. Once the client is stable, he or she should be handed over or inserted into the field service schedule.

## Service Dashboards

If you don't measure it, you can't manage it. Specific components and timing of appropriate dashboards can be unique to each organization, but some basic information should be collected in order to track your operational and quality parameters and outliers. If you already have an ongoing dashboard or mechanism to track operational issues, you will need to include additional parameters specifically associated with the outreach business.

## Field Service

You probably have solid relationships with hospital-affiliated physicians based on inpatient service levels you provide. These physicians, although willing to support a hospital laboratory outreach effort, are also running their own businesses. They have service level expectations and the goodwill you have earned will only carry your relationship so far.

Field service does not lend itself to a one-size-fits-all model. The field support organizational structure will vary based on a number of factors. Laboratory and other hospital employees involved may differ from place to place but the basic requirements are similar.

You should develop an organized and documented system for both active client problem follow up and proactive client interactions. Processes need to be developed to ensure that the loop is closed while solving specific client issues. It is extremely important that as problems are found, the root causes are fixed to eliminate recurring problems that are probably affecting other clients as well. Sometimes, your most finicky clients can be your best indicators of service problems. It's not uncommon to find that by the time a client starts complaining, he or she may already have one foot out the door. In some cases you need to worry when a typically fussy client stops complaining.

Along with fixing problems that are brought to your attention, you need to go out and find them. Relationships need to be developed with all stakeholders in your client accounts. These relationships can include physicians, office managers, laboratory technicians, receptionists, a billing clerk, and maybe even a physician's wife or brother-in-law in one of these positions. It may be appropriate to enlist different individuals in your organization to

develop these relationships, thereby forming a communication matrix.

It is advantageous to develop a client visit schedule with frequencies based on the account's relative size, influence, or both. These visits should be designed not only to solve problems but to extract today's irritations which could potentially turn into tomorrow's problems. A system should be established to ensure follow up and identify trends associated with information gathered from both reactive and proactive field-service activities.

A "client in jeopardy status" special-handling protocol should be developed. These protocols can be somewhat customized and should address any specific areas of concern for each client. Be careful not to have too many clients in this status at one time since monitoring these takes up valuable staff time. If you find that the number of accounts falling into this category is growing, you probably have more systematic problems that need to be addressed.

Lost business should be tracked. This is not as easy as it may sound. Many clients refer testing to more than one laboratory due to either specific preferences or contractual requirements. Often, clients don't simply quit, they slow down or stop sending discretionary work. Reports that identify client activity changes, test mix, and payer mix should be developed and reviewed regularly. Most of this information is available if you are using an outside billing service, but you may also be able to extract it to some extent from a combination of your hospital laboratory and billing systems.

Using a customer relations management (CRM) software product is an exceptional way to stay proactive with your clients. This can be as simple as including a database that is accessible to anyone interacting with the clients, to as complicated as managing your entire customer relationship. Some laboratories have optimized off-the-shelf CRM software packages taking laboratory outreach service excellence to a significantly higher level.

## Location, Location, Location

For outreach patients, the laboratory service experience often starts at the PSC. While deciding on where and how to place a PSC, it is imperative to understand that this is not a space project; rather, it's a marketing project with space implications. Your ability to quickly locate, lease, and equip a PSC may be the crucial difference between securing a location near a strategic client or in a prime location, or letting your competition take it.

Location, facility layout, and patient accessibility become especially critical as your outreach effort expands beyond hospital facilities. There is a good chance that your competitors may already occupy the best locations, so you may need to be creative in site selection and patient accessibility. Physician and patient loyalty to your hospital, excellent local service, professional staff, and short wait times can often compensate for less-than-desirable locations.

A \$1,500 per month PSC lease is probably small peanuts compared with other hospital space projects you'll be competing with. Your facilities department, if involved at all, must understand the unique space planning requirements of a PSC and the need at times to execute quickly. This is not just a matter of location and planning for needed square footage. Connectivity, telephone, data lines, waiting area design, bathroom location, regulatory requirements, and workflow planning are all essential components of this process. Establishing a standard PSC setup can make placing future PSCs more manageable.

As a general guideline, your PSC interior design should match or exceed the look and feel of the physician's offices in the area. Furniture should be well kept, the carpets clean, and the in-

terior freshly painted and uncluttered. Waiting areas should have enough space and seating capacity to comfortably accommodate the peak patient traffic expected in the location. This of course, requires that you estimate volumes at each site. Your operating hours should match those provided by your competitors.

### **Recruiting and Training Phlebotomists**

The skills and personalities of phlebotomists hired for outreach may be different than those of your in-house phlebotomy staff. Depending on your PSC processes, a PSC phlebotomist may need to have typing and computer skills, affinity for detailed paperwork and documentation, plus the ability and independence to work alone or in isolated small groups. Plans to accommodate pediatric or other special types of patients in a particular PSC where specific skills will be needed must be established. Obviously, PSC phlebotomists should also have a service-orientated mentality.

### **Connectivity and IT Capabilities**

There is a wide variety of information technology (IT) capabilities, both in type and complexity, required to compete in different marketplaces. In some parts of the country, a significant level of IT sophistication is an entry-level requirement, in other areas it may not be as much as an issue. Clearly, it is only a matter of time before connectivity, interfaces, and electronic medical record (EMR) compatibility capabilities will be a requirement to participate. At some point, you may be faced with a “make versus buy” decision related to IT solutions. There are a number of companies that collectively provide all components necessary to compete.

As a hospital laboratory providing outreach testing to affiliated physicians, you have a marketing advantage in that you can provide a single portal for all patient results. This advantage is enhanced as your organization and physicians migrate to EMR platforms because a significant portion of EMR data is laboratory information. Of course, to capitalize on this advantage you will need to provide your physicians and their staff easy access to this data.

### **Revenue and Billing**

Efficient and client friendly billing can be effective sales tools. Interaction associated with billing and revenue optimization is often the single most significant cause for client and patient dissatisfaction. Although laboratories are getting better at this; few do it well. Creating a customer friendly and compliant process is an opportunity to stand out in comparison to the competition.

Ability to collect appropriate demographics and insurance information at the initial patient contact either in the physician's office or laboratory PSC is essential in order to avoid the patient and physician service issues associated with after-the-fact information gathering.

If you're unable to develop billing processes in which you are relatively confident that you can collect and measure revenue, plus provide customer friendly client billing interactions, then it is probably a good idea to engage an outsource billing partner. In addition to collecting your revenue, the right billing partner can help you develop all components of the revenue cycle, leaving you time to concentrate on the other aspects of laboratory outreach service excellence. Most hospitals find that the increased revenue they experience from hiring an outsourced billing service covers the cost of the associated fees. This also provides the added advantage of having proactive management reports and better customer friendly

billing interactions while possibly preserving your sanity.

### **Compliance and Customer Service**

Compliance and regulatory requirements associated with laboratory outreach are complex. Assuming that you are competing with reputable laboratories, you will all be following essentially the same rules. Although most physicians' offices are fairly well versed in these requirements, adhering to specific laboratory policies can be daunting and time consuming. The vast majority of laboratory organizations pay serious attention to these details, although sometimes individual interpretations may vary to some extent. The laboratory that provides clients with tools that make adherence to these compliance rules less intrusive and more understandable will have an edge.

### **Specimen Processing, Integrity, and Transport**

Unlike most hospital specimens, outreach specimens travel around, are exposed to different atmospheric elements, and change hands often. Some specimens will be collected in a physician's office, with inconsistent collection, labeling, handling, and storage conditions. Some specimens, such as those drawn by your staff in a clinic, PSC, or client office (if allowed locally) are handled in a more controlled environment. Specimen collection, storage, handling, and transporting protocols need to be established for each individual collection environment and also for specific types of samples within these environments. Logs should be created for special handling samples such as frozen serums. Integrity checks can be developed to inject samples within these networks in order to determine ongoing specimen integrity.

### **Telephone Service**

Physicians and their office staffs are busy and can be impatient. They have little tolerance for a laboratory provider that doesn't answer the phone and give them answers quickly. Therefore your customer service staff must have access to all the information they will need to answer anticipated questions efficiently and accurately.

There should be a dedicated phone line and phone tree for outreach clients. The individuals answering these phones should be responsible to either personally follow-up, or verify that the appropriate follow up was done. If this line is scheduled to roll over to another department or person during off hours, the person(s) answering the phone should have an understanding of the outreach business and be able to access the types of information needed to resolve the phone call.

Daily tracking of both the number and types of incoming and outgoing calls is essential to outreach laboratory service excellence. This is an opportunity to monitor your service levels on a real time basis. Telephone service reports should be established, even if it is a completely manual process. System generated information such as dropped calls, wait times, calling time patterns, and on-hold times should be created if the phone system is able to provide it. In some cases the hospital may have to dedicate your line(s) as a call center in order to provide this type of information.

### **Service Excellence Culture**

Hospital laboratory cultures typically evolve appropriately as in-patient centric. Many times, when hospitals begin to take on

outreach testing, the laboratory staff looks upon those specimens as less important, or maybe even with disdain. Sometimes, there is an attitude that these specimens are not as viable, due to the handling issues associated with them. It may be perceived that the outreach patients are not sick, or as sick as the inpatients, and thereby not as important. There also may be a resentment associated with the additional work and a concern that there will not be enough staff to accommodate it.

If this attitude towards outreach testing doesn't happen, at least to some extent in your organization, then you will be the exception. Regardless, this culture issue needs to be taken seriously during the planning, public relations, and implementation stages. When this is done properly, your employees can be the best ambassadors for your program. On the other hand, if your laboratory employees are resistant or unhappy with your entry into the outreach market, they can be a negative influence that will be difficult to overcome.

Your employees are, in point of fact, patients of your prospective clients. They live in and about the community and they can promote the laboratory within their personal circles. One of the best things you can do to enhance both the impression and actual service associated with your outreach effort is to include your employees as a part of the effort by capitalizing on the pride they have in the hospital and in their part of the services it provides. The next level of community support can come from other hospital employees and therefore the communication effort should include the entire organization.

## Communication

Nobody likes surprises. This is particularly true in the case of physicians and the information they receive in order to treat their patients. In addition to communicating with the laboratory and other hospital employees, it is imperative that you clearly communicate your plans, timelines, and commitments to the physicians that you will be requesting to convert to your services.

Your communication plan should be designed to manage expectations by setting realistic and achievable goals, while not overcommitting. The service levels expected will be dictated largely by how and to whom you communicate your plan. Ongoing communication by newsletters or periodic informal bulletins can be useful to update progress and celebrate successes.

The most crucial communication is between the laboratory and clients, where accountability, timely problem resolution, and dedication to personal service are consistently demonstrated.

## Resources and Service Excellence

Is it in your organization's DNA to engage in the feeding and handling of this type of entrepreneurial effort? Service excellence in laboratory outreach and timely access to key resources go hand in hand. Resource allocation and procurement are critical components of a laboratory outreach readiness and willingness assessment. You will likely be competing for business with multi-billion dollar organizations, so you simply can not operate this business with a mom-and-pop mentality.

Your hospital or health system may be in competition with other hospitals in the area and the laboratory has an important part in this effort. Administration continually makes decisions regarding resource allocation throughout the hospital or health system to address the competitive landscape and support the organizational mission. The laboratories you'll be competing with for outreach business have similar resource allocation challenges

and will also have to decide among various department needs and wants. The difference is that essentially all their resources will be employed to compete with you for outreach laboratory discretionary work.

In areas where you do not have dedicated resources, you will need to reach an understanding with administration, at the CEO and other C-suite levels, that they understand the requirement for timely access to resources critical to servicing your clients. Before you get started, or even if you're already underway, you should develop a business plan that starts with a critical organizational self-analysis designed to determine the resources you will need and an assessment of your timely access to critical strategic resources.

## Human Resources

What is the process, and how long do you have to wait for new position approvals, open position replacements, orientation scheduling, wage range analysis and adjustments, and the like? Whatever your current process, it may be far too cumbersome and time constrained for you to be responsive to your market needs.

## Information Technology

In order for you to compete, you can't wait in line behind all of the hospital IT priorities. You will either need to pry dedicated resources away or obtain an agreement to either jump the line or partner with providers of turn-key applications. Even in the case of using outside products, timely access to hospital systems will be necessary.

## Finance, Capital, and Purchasing

The current hospital capital and financial decision and approval processes may not be adequate or timely enough for you to be as responsive as necessary. In some cases, you may need to purchase a stockpile of back-up equipment such as printers, fax machines and other client products so you can quickly replace non-functioning equipment. On a similar note, you will need to be able to keep a reasonable supply of normal client and PSC set-up equipment. Although in some cases you might be able to use equipment currently approved and supported within the system, you will probably have to choose some equipment that is different from existing standards. Establishing these needs early in the process and coordinating with the appropriate departments and stakeholders will help smooth procurement and placement.

## Business Planning and Resources

How do you set the stage for developing the internal relationships and associated responsiveness that you will need in order to provide the service levels required to compete in this space? The best way is to develop a solid business plan that you are willing and able to stand by. In other words, as the saying goes, plan your work and work your plan. This plan should include a realistic market analysis including current competitors, volume projections and timing, initial cost and capital needs, an incremental pro forma profit and loss statement and specific details on hospital resource needs both as a starting point and on an ongoing basis. It should also include a SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) that emphasizes the correlation between service requirements and hospital resource issues.

This plan should act as a map, a scoring mechanism, a budget and most importantly a built-in, pre-approval mechanism to assure

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your ability to anticipate and respond to needs. Unlike most budget and approval processes, resources such as positions and equipment often need to be in place prior the actual need. This requires accurate resource requirement projections at predetermined milestones, such as volume.

The more your hospital considers laboratory outreach as a niche rather than a stand-alone entity, the more difficult it will be for you to obtain and retain the local physician's discretionary business. Timely access to resources and organizational cooperation are service level requirements and therefore directly proportional to your success. Again, keep in mind that you are often competing with multi-billion dollar companies with resources and capabilities to match. Despite the fact that you are operating on your home turf, your competitors are continually refining their skills and offerings.

Securing approval for your plan and the associated pre-approval mechanisms will be a good indicator of the organizations commitment to support the laboratory's outreach effort. If you are already engaged in a successful outreach effort, this planning process is still a good idea because it is possible that as the regionals and nationals run out of acquisition candidates, they will cycle back to attempt to increase growth in their core businesses. The large nationals openly cite maintaining and expanding their market share of hospital outreach as one of their main strategic initiatives. The more successful your program, the bigger a target you will be.

## Conclusion

As the saying goes, don't bring a knife to a gun fight. Hospital-based laboratory outreach is an entrepreneurial effort that requires a separate and distinctly different business model than that of an in-patient hospital laboratory, and the competition is stiff. Unless the laboratory as a whole and hospital administration is solidly behind the effort, it is best to not attempt it. Management must recognize that in laboratory outreach, providing quality test results is only the beginning and that there are many operational and service requirements significantly different from those of in-patient testing.

Hospital laboratories have many distinct advantages over non-hospital based competitors in the outreach laboratory environment. Thus, the potential positive impact to the organization is well worth the investment. However, in order to achieve these gains, there must be a commitment to provide the time and resources required to achieve service excellence. Only then will the laboratory outreach effort lead to very satisfied customers, which will reflect positively on your hospital or health system. LM