THE CHALLENGE

The Intalere Keystone Alliance is a group of 11 healthcare systems comprised of 88 locations throughout Pennsylvania, New Jersey and Maryland that function as a virtual Integrated Delivery Network (IDN) to improve supply costs through aggregation. Intalere fosters regional alliances such as Keystone in order to enhance and maximize the purchasing power of individual contract portfolios via consolidation, but also, to help develop a culture of healthcare excellence by providing opportunities for unprecedented professional peer-collaboration, networking, education and best practice development.

The current Keystone Alliance Board Chairman, John Romano, is the Laboratory Services Manager at Wayne Memorial Hospital, a non-profit community facility serving rural Northeastern Pennsylvania and Southwestern New York. Wayne Memorial features 98 acute-care beds, with an additional 14 dedicated to a partnership with the renowned Good Shepherd rehabilitation network.

Thanks to Romano’s efforts, the Wayne Memorial Hospital Laboratory Services Department is state-of-the-art, equipped to provide a wide spectrum of services for the highest quality diagnostic medicine. The staff is fully accredited by the College of American Pathologists and qualified phlebotomists offer 24/7 blood-draw services for both in- and outpatient care. However, the exponential growth in the use of advanced molecular diagnostic techniques by clinicians demands even the largest urban research hospitals in the country to utilize commercial reference laboratory services to achieve results for many infectious and genetic diseases.

Emerging conditions such as Lyme Disease, West Nile Virus and Human Papillomavirus, virtually unheard of only a few years ago, are now common, thanks in part to the commercialization of life science technologies once reserved for the scientific research lab. DNA sequencing and amplification with real-time polymerase chain reaction (PCR) for viral infections or western blots, immunassays and gel electrophoresis for the detection of antibodies and unique serum proteins are now daily orders at every healthcare facility in the nation. Also, because of the increased sensitivity, specificity and accuracy of molecular techniques, even time-tested procedures for diagnosing common illness such as seasonal allergies, have gone “high-tech.”

Known as “esoteric testing,” these services represent the fastest-growing trend in laboratory medicine. However, cutting-edge science comes at a very high price and hospital lab managers are at a loss trying to maintain a reasonable reference laboratory testing budget as the demand for esoteric testing balloons.
THE SOLUTION

“Most of the laboratories in the alliance were using the same national reference lab and receiving the minimum contract discount through their individual organizations,” explained Romano. “We decided, as a group – The Intalere Keystone Laboratory workgroup – to approach them to see if there was additional standardization in pricing or services that could be offered for laboratory members of the Keystone Alliance on the most common esoteric tests.”

The preferred commercial reference laboratory was immediately intrigued with the opportunity presented by the workgroup. Under the guidance of the workgroup leadership, as well as Don Smalley-Rader, senior director of Intalere Alliance Solutions in the Eastern Division, each member of the laboratory group was approached for review by the testing company. “We had our own specialists chair these breakout sessions in conjunction with the members to insure that the needs of our alliance partners were met by the vendor,” Smalley-Rader said. “We monitored all negotiations until the agreed upon utilization was reached.”

THE OUTCOME

Based on the testing laboratory’s comprehensive analysis and subsequent negotiations with the Intalere alliance team, nine of the eleven organizations received an additional average savings of 10 percent – a conglomerate amount of more than $250,000 for Intalere Laboratory Alliance members. Also, as new members are added to the alliance and volume increases, additional incentives and savings will accumulate.

“The testing history within the membership was too diverse to reduce pricing across the board,” Romano said. The variety of procedures and coordinating prices charged was highly variable due to the obvious differences in facility size, location, personnel and capabilities. However, the results were win-win for all parties involved. “They offered to reduce pricing on the esoteric tests most often ordered by each member facility,” said Romano.

“The Intalere Keystone Alliance saved us more than a quarter million last year on reference lab fees for esoteric testing alone – but membership is about so much more than great prices. Networking and regular meetings are an ongoing and invaluable resource that has enhanced operational excellence and quality-of-care across the region.”

John Romano ∙ Manager, Laboratory Services ∙ Wayne Memorial Hospital ∙ Board Chairman ∙ Intalere Keystone Alliance

According to Smalley-Rader, “Alliances readily demonstrate the true value of Intalere. Our willingness to help bring regional healthcare providers together to supply the best tier available – or even create custom tiers such as those used by Keystone Laboratory Workgroup – illustrates Intalere’s ongoing commitment to reduce healthcare costs and improve healthcare quality. Although the networks formed by Intalere alliances are virtual, the savings realized, the relationships formed and the collaboration that ensues is as real as can be.”