

LABTESTS BRIEFING PAPER

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Labtests Laboratory Facts:

- 5,500 Sqm laboratory facilities at 37-41 Carbine Road Mt Wellington, Auckland will be in the top 5% of the world's most automated and technically advanced laboratories.
- Houses the world's second largest Siemens ADVIA LabCell to process samples.
- Laboratory fully protected against power supply failures with Uninterruptible Power Supply (UPS) and own generator system.
- Features the most advanced PVT robotics available and state-of-the-art Sysmex hematology sample tracking (HST) line.
- "Enterprise class" computing environment. Large scale IBM server farm with 7.008-terabyte storage capacity – expandable to 30 terabytes. "Enterprise Class" means the very highest level and scale of computing systems i.e. large hospitals, major trading banks.
- 100% redundant capacity built into IT system to protect against system or equipment failures.
- Includes 3 Molecular Pathology Laboratories to allow for future DNA test innovations
- Labtests will be the first in New Zealand to introduce electronic tests requesting for doctors that will allow better follow up of patients who fail to get their tests done.
- Labtests' service is supported by Labtests own dedicated courier service using an advanced dispatch system designed to speed up dispatch workflows and allow electronic download of pick-ups in real time.
- Each medical courier will be equipped with a portable data unit with GPS to ensure a quality service and effective courier management.
- Will employ 400 staff in the Laboratory including a full call-centre operation.

Operational Overview:

Using state-of-the-art technology and instrumentation, Labtests, Auckland's new community pathology provider, will help to prevent disease by detecting unknown health problems and aiding in the diagnosis and treatment of existing conditions through accurate and timely test results.

Healthscope, Labtests' parent company and the third largest pathology provider in Australasia, recognises that to be at the forefront of laboratory testing means investing in the very best equipment and IT systems. This means that Labtests purpose built core lab in Mt Wellington is the most automated in Australasia and houses the second largest Siemens LabCell in the world.

Labtests' LabCell is the first of its type in New Zealand and will manage more than half of all the samples received in the lab for testing each day. From the moment the test tube is placed on the track, the Siemens LabCell is able to manage the sample, recognising precisely where it needs to go and then routing it for optimal efficiency. This reduces the number of steps required to sort, process and archive samples, and the time to produce a complete set of results for doctors.

Malcolm Stringer, a highly experienced medical biochemist responsible for the design of the Laboratory and the selection of all the technology within it says the instrumentation chosen will deliver a world-class service for the Auckland community.

"We know that doctors rely heavily on lab tests to make diagnoses, which is why we've chosen the best and latest laboratory instrumentation available that can turnaround the most complete set of results in the shortest amount of time," says Malcolm Stringer, Labtests Project Manager for Operations.

"We've also chosen technologies and systems that are already well proven in other parts of the Healthscope organisation for their reliability and serviceability, so we know the instrumentation and how it operates."

He says Healthscope has focussed its global pathology expertise on the Labtests project to create a laboratory that will rank among the top in the world.

In addition to the LabCell, Labtests has also invested in a Sysmex Haematology Sample Tracking (HST) line that will receive thousands of blood samples a day with minimal downtime and operator intervention. Once a sample is loaded, there is no technical intervention until results validation. By removing unnecessary physical handling of the samples, the HST line cuts down any room for human error, increases safety, accuracy and speed. The modular, flexible design of the HST line also allows for unlimited expansion and updating as capacity or technology advances.

“By investing in these state of the art technologies we’re creating a system that is as future proof as possible and that will allow us to roll out future improvements and innovations to clinicians like eRequesting.”

With Labtests eRequest system, for the first time in New Zealand, doctors will be able to electronically order their patients' tests, track the progress of tests in real-time through the laboratory and will be notified by Labtests if their patients haven't turned up at the collection centre to have their samples taken.

eRequest increases clinical safety for doctors and their patients and ensures timely follow-up and diagnosis.

With the installation of a sophisticated IT platform and major instruments completed the comprehensive testing process has been underway since early May. “Ensuring that our technology and systems are fully tested and measured for reliability against the existing systems is the vital first step for ensuring a smooth handover of the community pathology service to Labtests.” said Malcolm Stringer.

At a glance: Labtests' Siemens ADVIA LabCell

- First of its kind in a New Zealand laboratory
- Second largest in the world with 21.5 metres of continuous track
- Has 11 analysers - four chemistry units and 7 immunoassay units
- Capable of processing 900 samples (over 10,000 tests) per hour
- Will process 50-60% of all samples that come into the core lab with results available to clinicians within 4 hours of them arriving into the Laboratory
- Requires less blood for testing – a minimum of 80% of tests can be performed on a single tube of blood
- Less manual handling of sample – improving processing time and reducing the risk of human error in the laboratory
- Testing on the LabCell includes diagnosis and monitoring of renal, liver and thyroid function, measuring blood glucose and lipids, diabetes monitoring, detection of markers of cardiac damage, pregnancy testing, hormone assays, monitoring blood levels of therapeutic drugs, diagnosis of infectious diseases like Hepatitis and HIV and screening for cancer markers

- Chosen by Labtests because of the advances it can deliver in the laboratory and for clinicians in terms of the speed, accuracy of results and the reliability of the service

Labtests Project Update as at 8 June 2009

Labtests recruitment, collection centre network, systems and laboratory set-up are well advanced and on target.

Recruitment:

Labtests have in place a carefully staged recruitment programme that will ensure the right people are brought on board at the right time leading up to the handover completion date of 7 September 2009. The implementation of this programme is well advanced, and in line with recruitment timelines 80% of all laboratory staff have already been recruited.

Labtests will have recruited all the specialist and support staff required to take up the service. There have been more than 2000 registrations of interest from potential staff and a number of former DML staff are now confirmed in key positions.

Transition:

Labtests will formally take up its contract as sole provider of Auckland's community laboratory testing services on 7 September 2009. Labtests has proposed a staged transition plan that allows for a progressive transfer of staff and patient samples, by DHB, in the period leading up to this date. The DHB's are considering the details of the handover process and will make public the approved process.

All IT, workflow and reporting systems will be fully tested by the time they are called into service for the transition. All staff will be onsite at Labtests for three weeks' training immediately prior to taking up their new roles. The collection centre and courier network will be up and running in each district before Labtests begins providing services to that area.

As normal, doctors will receive their results from Labtests via Healthlink. We have now completed fully testing of all clinical reporting to confirm continuity of results reporting throughout the handover and beyond and that our IT systems and reporting are fully compatible with the Practice Management systems in doctors' surgeries across Auckland.

Collection Centres:

Labtests will have 56 collection centres across the Auckland region that will cater for 100% of the Auckland's collection needs. This is six more than the number (50) proposed by DML in its 2006 tender for the contract.

Under the new Labtests service there will be some changes to the locations of collection centres, to help make them more convenient for patients. They will also be open earlier, most from 7am. Labtests is working on a number of our new collection centres at present and all centres will be ready in time for service handover.

Locations of the new centres will be announced before then via notices in the New Zealand Herald and local newspapers. They will also be published on the Labtests website at www.labtests.co.nz. GPs will be kept informed and will also advise patients where the nearest collection centre is when they are referring their patients for tests.

The collection centre network has been designed through sophisticated population mapping and analysis of data including census figures, health deprivation scores, age demographics, locations of doctors' practices, healthcare centres and town centres, and driving distances and access to public transport networks.

Labtests has re-designed the collection centre network to offer an improved collection service through improved accessibility, meaning:

Proximity to doctors' practices, healthcare and town centre and public transport networks.

- Under the planned Labtests network, more than 90% of Aucklanders will be within five minutes' drive of a collection centre and 97% will be within 10 minutes' drive, comparable to drive times under the present DML service.

Availability - earlier opening hours.

- Most centres will be open from 7:00am to improve patient access outside work hours and make early-morning fasting tests more convenient.

Through-put – reduced waiting time.

- Labtests' collection centres will be on average larger, with more collection chairs.

The collection centre network will be reviewed and modified over time to meet changing local demands.

Labtests courier network

- Labtests will have its own dedicated courier service – with 30 medical courier runs plus four shuttle couriers to transport samples from Courier Hubs back to Carbine Road.
- Labtests will use an advanced dispatch system designed to speed up dispatch workflows and allow electronic download of pick-ups in real time.
- Each medical courier will be equipped with a portable data unit with GPS to ensure a quality service and effective courier management.

Labtests' Staff Biographies

Ulf Lindskog, CEO

As CEO of Labtests, Ulf is responsible for the setup and ongoing operations of the new service and ensuring the effective, accountable servicing of the DHB contract.

After moving to Australia from his native Sweden, he practised for 10 years as a Chartered Accountant before joining laboratory service providers Gribbles Group and Healthscope in a number of General Manager roles.

On joining the Labtests project, Ulf was instrumental in the development of an innovative, transparent model for the proposed new service, designed to keep service quality high, balance complex requirements including IT, laboratory systems, human resources and collection centre services, and still remain competitive on price.

Dr Richard Lloyd, Medical Director

As Medical Director for Labtests, Dr Richard Lloyd will lead Labtests pathologists and will have a vital role working with Auckland GPs, specialists, PHO's and DHB's. Dr Lloyd will also work with the senior clinical team across Healthscope's nation-wide pathology network.

Dr Lloyd joined Labtests from his role as an Anatomical Pathologist at Diagnostic Medlab (DML), where he worked for over eight years.

Prior to taking up his role at DML, Dr Lloyd was a registrar and pathologist at Canterbury Health Laboratories. His specialty training was completed at Dunedin and Christchurch Hospitals. Prior to entering pathology he spent three years working as a General Practitioner. He is a graduate of Otago Medical School.

Malcolm Stringer, Project Manager

As Project Manager for Operations, Malcolm is responsible for the initial setup and implementation of the Labtests service in Auckland as well as its ongoing operational excellence.

Malcolm has been involved in the effective running of pathology laboratories in the public and private healthcare sectors for more than 30 years. A highly experienced medical biochemist, he was former Head of the Core Laboratory in Biochemistry at Royal Melbourne Hospital and headed up the Department of Chemical Pathology at Gribbles Pathology in Victoria for seven years. He has an extensive senior management background and holds an MBA from the Australian Graduate School of Management.

Drawing on his long experience in the lab as well as his previous roles setting Laboratory facilities, Malcolm was closely involved in the design of Labtests' new state-of-the-art Auckland laboratory. He is enthusiastic about the opportunity to improve the quality of operations in the Auckland region and to bring together the very best systems, equipment, technology and learning from the Healthscope network.

About Labtests

Labtests is part of Healthscope, New Zealand's largest community pathology and laboratory network. From 7 September 2009, Labtests will be the sole provider of community pathology services to the Auckland region.

The Healthscope Group includes Southern Community Laboratories, whose 11 laboratories around New Zealand have long-term hospital and community pathology contracts with the Otago-Southland, Canterbury, Hawkes Bay and Lakes District Health Boards. Healthscope also owns Northland Pathology Limited, which provides community pathology services to the Northland region.

Headquartered in Melbourne, Healthscope was formed in 1985 and listed on the Australian Stock Exchange in 1994. It is Australia's second-largest private hospital operator. Healthscope's pathology business was established in 1936 and has now grown to be one of the three largest pathology providers in Australia. The company has also established market-leading community pathology operations in Malaysia and Singapore. Healthscope employs 18,000 staff around the world.

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