

Containing costs in the era of National Health Insurance – the need for and importance of demand management in laboratory medicine

The implementation of the National Health Insurance (NHI) scheme will place pathology services under increased pressure. Improvement of access to healthcare will increase demand for diagnostic testing, both for clinical diagnosis in disease states and for screening of healthy people. It is unlikely that the publicly funded budgets for pathology diagnostic services under the National Health Laboratory Service (NHLS) will increase to keep up with the demand. Furthermore, developments in new tests and the introduction of new technology in laboratory medicine will increase the overall costs. Coupled with the progressive decline in the teaching of pathology and laboratory medicine in the undergraduate curriculum, there is likely to be a tendency towards inappropriate usage of laboratory tests in clinical management.

In South Africa, approximately 3.5% of provincial budgets are directed towards meeting the costs of pathology services in the public sector. In the 2011/2012 budget, R121 billion was spent on healthcare by the government. Pathology services received approximately R4.2 billion. In the UK, the National Health Service budget is currently at approximately £106 billion and laboratory testing costs approximately £2.5 billion (2.3%). The review of the UK pathology services by the Carter Commission estimated that approximately £500 million could be saved by more efficient use of pathology services, i.e. 20% of the expenditure could be saved despite a projected increase of 8 - 10% in laboratory testing. Extrapolating these figures to South Africa, potentially R800 million could be saved. In Canada there are similar pressures on pathology laboratory services within a publicly funded national healthcare system. Laboratories are being asked to perform increased numbers of tests without a comparable increase in laboratory budgets. Will this also become a feature of the era of NHI in South Africa?

Given the aforementioned scenarios, the need for demand management of laboratory testing becomes paramount. Pathology services will have to formulate strategies to address both under- and overutilisation of laboratory tests and ensure that the proper use of clinical laboratory testing contributes to improved patient care. Increasingly laboratories will have to monitor test usage for cost-effectiveness and appropriateness, in the best interests of clinical care and in the spirit of evidence-based laboratory medicine.¹⁻³ This may

appear counterintuitive for a service in which volume determines income and ultimately financial viability. It is not only the publicly-funded pathology services that will be facing the issue. Under NHI, it is likely that the private sector pathology services will also be utilised by patients funded by the NHI scheme, especially if the tests that are needed are not offered in the public sector, as sometimes happens.

There are a number of recommendations for demand management protocols that should be developed in preparation for NHI.¹⁻³ Key among them is the need for a coherent national strategy within the NHLS to review laboratory workload figures in all regions, and the development of an audit schedule that includes assessment of inappropriate diagnostic testing. Laboratory services should also provide feedback on costs and volumes and data on inappropriate requesting to primary care. Links should be developed with all key specialties and primary care, beyond what is currently available, so that suitable educational forums can be developed and to ensure that educational interventions are supported by clinicians. The national data should be used to achieve benchmarking, and testing should be standardised, in line with the benchmarks. This will obviously require harmonisation of clinical laboratory practices and clinician-directed testing behaviour between the various regions, but should go a long way towards achieving the goal of more efficient laboratory testing in what is likely to be a constrained economic environment in the era of NHI.

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