

# How to Successfully Build and Manage a Physician-Owned Laboratory

*How to drive practice profitability and patient outcomes  
through **financial, clinical, and operational** success*

---

# Contents

1. Why Build an In-House Laboratory? .....	2
Better Clinical and Operational Control Means Better Patient Care .....	2
Adding Value to Your Practice Makes it More Attractive.....	3
Your Practice is Sitting on Mass Potential of Revenue Opportunity.....	3
The Bottom Line is - Why Not Improve Your Bottom Line and More? .....	3
2. Choosing the Right Partner for Starting Your Laboratory.....	4
A Vendor Can Make or Break the Success of your In-House Laboratory.....	4
Inflated Pro Formas and Unrealistic Promises .....	4
The Pitfalls of 'Build-It-and-Bail' .....	5
We Present a Different Approach, With No "Good-Luck Fee" .....	6
3. The Benefits of Ongoing Laboratory Management Go On and On.....	7
We Staff and Employ the Lab .....	7
Day-to-Day Operations are Covered .....	7
Licensing, Legalities, Regulations, and Data.....	8
4. How All-Inclusive Revenue Cycle Management (RCM) is the Secret Sauce	9
Lab Registration and In-Network Know-How .....	9
Genetic Testing Billing is the Dealbreaker.....	10
5. Case Studies: How Practices are Transforming Their Revenue Model .....	11
Exceptional Communication, Service, and Quality.....	11
Industry-Leading Laboratory Performance.....	12
6. Empowering Your Practice Financially and Clinically for the Future ...	14
Where We Get it Right.....	14
The Payoff: Financial and Clinical Wins for Your Practice .....	14
References .....	15

# 1. Why Build an In-House Laboratory?

You've heard the pitch before—bringing your health organization's laboratory testing in-house can revolutionize your practice. Maybe you've heard of how in-house laboratories are all the new rave from the proliferation of laboratory consultants knocking at your e-mail door. Or, maybe you're exploring how to boost profitability as your physicians face endless hurdles of getting paid properly. However you came upon this eBook, you're curious, and we've got the answers to the winning strategy, because building a laboratory is **only half of the battle**.

Building an in-house laboratory can revolutionize your practice's revenue model as well as advance your team's clinical care, quality, and service for your patients. Keeping everything in-house has undeniable benefits that will continue to give you long-term returns for you and your providers. Like anything worthwhile, there is a right and wrong way to do it. And there are plenty of companies happy to sell you the wrong way and leave you with a mess.

However, there is a way to utilize your investment where you don't have to pay to make it work – it'll actually work to pay you. We've developed a solution for physician practices and health systems that eliminate the risks involved in the traditional approach of building an in-house laboratory. We'll answer all the why's and how's and even show examples of it in action.

## Better Clinical and Operational Control Means Better Patient Care

The timeliness of diagnostic processing in a patient's health journey greatly impacts their anxiety and confidence in the care they are receiving. Delays associated with external labs such as transport times, batch processing, and communication inefficiencies place a strain on your team as they navigate issues with their patients every time an order is placed.

When testing is performed on-site, faster turnaround times also can be the difference between early intervention and delayed care. Providers are enabled with better clinical decision-making and can initiate treatment plans with near immediate feedback within hours or a few days. Reducing the downtime between a patient's sample collection to delivering diagnostic results and treatments fosters greater patient care, satisfaction, and retention.

The benefits extend beyond clinical outcomes. Faster lab results, control over testing, and detailed reporting strengthen operational efficiencies and workflows in the practice.

Having an in-house lab gives physicians and staff direct access to lab directors, enabling real-time collaboration and expert interpretation of test results for more informed patient care. Providers, nurses, and all staff in a care team can better support the patient and each other when diagnostic information is readily available. Integrating the information from an in-house laboratory into an existing electronic medical record (EMR) system allows any staff member to quickly access what they need. The risks of lost specimens, errors in data transfer, delayed communication, and inaccurate reporting are greatly minimized when a practice has full flexibility and involvement in its diagnostic capabilities.



## Adding Value to Your Practice Makes it More Attractive

In-house laboratories equip your practice with a competitive edge that can translate into higher physician ratings and overall patient satisfaction. As patients are becoming more selective and informed in their search for care, practices have focused on emphasizing efforts to promote patient-centric models of marketing. Providers can utilize the benefits of an in-house laboratory such as faster turnaround times, in-network billing, and focused, flexible test menus to attract new patients. These patient-centric advantages ripple into a larger wave of more referrals, increased frequency of visits, and better online reviews.

Stakeholders must also consider the attractiveness of their organization to employees and providers. According to the Association of American Medical Colleges, the United States will face a physician shortage of up to 86,000 physicians by 2036<sup>1</sup>. Leveraging the clinical and financial appeal of an in-house laboratory for your practice can help attract new talent and retain existing providers, therefore strengthening the longevity of the practice.



## Your Practice is Sitting on Mass Potential of Revenue Opportunity

Commercial reference labs like Bio-Reference Labs, Quest Diagnostics, and LabCorp may take a stone out of your practice's proverbial backpack as you operationally offload steps in laboratory testing, but healthcare economic trends are pointing to ways they are also yanking out of your practice's proverbial wallet. As these large corporations actively acquire more laboratory businesses across the nation every year, the consolidation of diagnostic services is pushing practices to preserve a significant revenue stream and stay competitive in an increasingly centralized market<sup>2</sup>.

One of the most compelling reasons to build your own laboratory is the financial upside. Outsourcing lab work often means forgoing substantial reimbursement potential. By keeping testing within your practice, you capture those reimbursements directly. This creates a steady and reliable revenue stream that can significantly boost your bottom line.

Moreover, the scale of your group practice amplifies this benefit. Larger patient bases produce a consistent demand for diagnostic services that makes it a sustainable and predictable source of income. An in-house laboratory is as scalable as the practice itself. Your practice laboratory can evolve to accommodate increased test volumes and expand its testing capabilities as demand for certain tests becomes more diverse.

Your in-house laboratory allows you to leverage flexibility in your own growth where third-party labs may inhibit or present unnecessary challenges. The larger a practice becomes, the more effort it takes to manage the varied preferences and processes of different tests, labs to choose from, billing requirements, networks statuses, and support teams. Incorporating a central laboratory for your practice allows you to streamline all these processes and get reimbursed more, and faster as you grow.

## The Bottom Line is - Why Not Improve Your Bottom Line and More?

Building an in-house laboratory is more than just a financial decision. Making this strategic move benefits both patients and their providers by strengthening the practice's overall control in point of care, clinical quality, and efficiency. For large physician groups, the question isn't *whether* to invest in an in-house laboratory – it's *when*. By taking this step, you position your practice for long-term success and growth.

## 2. Choosing the Right Partner for Starting Your Laboratory

### A Vendor Can Make or Break the Success of your In-House Laboratory

A quick Google search of “in-house laboratory” is going to present you with results of companies offering a range of services dancing around in-house laboratories. Some focus on equipment procurement, others on design and buildout alone.

Building and managing a high-complexity laboratory is no easy feat. There are challenges and unexpected complications at every step of the process – especially after the laboratory is built. Not every laboratory consultant understands these complexities on a clinical, operational, and financial level, but they are willing to sell you all of the vision with none of the responsibility for making it become a reality.



### Inflated Pro Formas and Unrealistic Promises

Some companies overpromise by presenting pro formas that project unrealistic revenues based on overly optimistic assumptions. These projections often:

- Overestimate test volumes based on unrealistic patient or payer mix assumptions.
- Assume reimbursement rates that don't account for regional variances or payer-specific policies.
- Ignore potential delays or denials in claims processing, which can significantly impact cash flow.
- Do not account for the labor and expertise required to complete technical assessments, acquire Z-codes, register tests, and other new roadblocks commercial payers are implementing that stand between practices and reimbursement.
- Underestimate the ongoing costs of compliance, staffing, and maintenance.

While these pro formas may look impressive during a sales pitch, they often fail to account for the real-world challenges of running a high-complexity laboratory. Practices that buy into these inflated numbers may find themselves struggling to meet expectations, resulting in financial strain, operational frustration, unmet goals, and a very expensive, unused equipment storage closet.

When these projections fail to materialize, the consequences extend well beyond the initial investment lost. Practices often find themselves spending additional money to correct mistakes, re-train staff, or bring in outside consultants to get the lab back on track. In some cases, practices are forced to shut down the lab entirely, turning what was intended to be a revenue-generating asset into a sunk cost.

These companies have mastered a simple trick: convincing you to pay upfront for what they frame as a turnkey solution. The reality? It's more of a “turn away and leave you holding the bag” solution. After collecting their fee and completing the buildout, their job is done. Your job? Well, it's just beginning.



## The Pitfalls of 'Build-It-and-Bail'

Larger issues remain that these companies leave on the polished steel tables that they just installed. Companies that step away after completing laboratory buildouts will either:

1. Leave the responsibility of laboratory management for the practice's existing clinical and administrative team to fulfill and begin hiring staff.

Or

2. Refer the practice to other companies that specialize in outsourced staffing and management.

Practices can make devastating, costly mistakes after this one-night stand leaves them to navigate the next steps – and there are much more left than often anticipated.



Without specialized knowledge, practices face (including, but not limited to!) challenges such as:

- **Staffing Issues:** Hiring and managing lab personnel is a complex process. Without the right team in place, your lab may experience inefficiencies, delays, and even compliance risks.
- **Quality Control and Compliance:** Ensuring your lab consistently meets regulatory standards requires dedicated resources and expertise. A lack of ongoing support can lead to audit findings, fines, or even suspension of operations.
- **Workflow Integration:** Laboratories must integrate seamlessly with your practice's existing processes. Without proper guidance, inefficiencies can disrupt patient care and frustrate staff.
- **Overestimated Test Volumes:** Projections that assumed higher patient testing rates often fall short without a clear strategy to generate and manage consistent test orders.
- **Missed Reimbursement Opportunities:** Laboratory billing is complex and requires expertise in navigating payer policies, coding changes, and claims appeals. Practices without dedicated billing support often face revenue leakage due to denied or delayed claims.
- **Unmanaged Costs:** Without proper oversight, operational costs such as reagents, equipment maintenance, and staffing can spiral out of control, further eroding profitability.
- **Learning Curve:** Navigating the technical and regulatory requirements of a lab can be overwhelming for a team without prior experience. Mistakes during this learning curve can lead to operational disruptions and compliance risks.
- **Continuous Test Menu Development:** Staying up to date with the latest advancements in diagnostic testing requires ongoing investment in research, validation, and regulatory compliance, which can be overwhelming for practices managing a lab independently.
- **Managing Genetic Counseling for Patients:** When patients receive positive molecular results for complex genetic conditions, practices must coordinate specialized counseling services, often lacking the in-house expertise and resources to provide comprehensive guidance and support.

The companies that disappear after the buildout might save you time in the short term, but they'll cost you far more in frustration, lost revenue, and missed opportunities.



## We Present a Different Approach, With No “Good-Luck Fee”

Here’s where we’re different. We don’t ask for an enormous check upfront and then leave you all the ingredients with no recipe before the paint even dries. Instead, we engage with practices in a long-term partnership rather than an exchange of services. Our model is designed to provide comprehensive, ongoing support that aligns our success with yours.

At the heart of our model is a risk-shared commitment to not only the success of your new in-house laboratory, but the excellence in performance, quality, and service. This is achieved by providing a true turn-key solution for your practice through:



### Ongoing Laboratory Management

We source and employ the laboratory staff, manage day-to-day operations, and handle all billing for the laboratory claims.



### Laboratory Revenue Cycle Management

Our sister company, Phyttest LLC., was founded on the specialized knowledge and technology for billing laboratory claims. Every test run in your new laboratory will be billed for and collected by our own experts - ensuring faster, maximized reimbursement for your tests.



### Aligned Interests

Since we take a percentage of what you earn, we succeed only if your lab succeeds. That means we’re just as motivated as you are to optimize performance and maximize revenue.

Building and managing an in-house lab is a significant investment, and choosing the wrong partner can leave you with an underperforming asset and a host of challenges to address alone. We believe in creating labs that deliver measurable value, not just impressive sales pitches. Our model ensures that your lab doesn’t just survive but it thrives, driving better patient care, a sustainable revenue stream, and long-term growth for your practice.

It's not just a different way of building an in-house laboratory – it's the *right* way.

---

## 3. The Benefits of Ongoing Laboratory Management Go On and On

### We Staff and Employ the Lab

Staffing a high-complexity laboratory with a specialized, knowledgeable team is the foundation of the laboratory's clinical and operational success. Employing professionals that have qualified experience, training, and certifications that meet stringent regulatory requirements is a process that requires dedicated time and attention. Clinical quality and reliability in a physician office laboratory (POL) setting are critical both in the initial start-up phases and as laboratories expand volumes and test menus with growth. POLs are more prone to diagnostic errors than larger labs when the staff lacks specialized expertise, as smaller teams often struggle to maintain the rigorous standards of accuracy and precision necessary for reliable test results<sup>3</sup>.

When practices are expected to undertake the staffing process for their new in-house laboratory on their own, or blindly trust other outsourced agencies, they lack guidance and point-of-reference for the highest standards in laboratory procedures. After all, providers are focused on their acute knowledge in medicine, not laboratories.

Our team not only removes the administrative load from recruitment and overhead by employing laboratory staff directly for practices, but we commit to sourcing the most qualified professionals that meet the expectations set by our Clinical Director. By providing practices with stable, experienced Laboratory Directors, Molecular Technologists, Technicians, we keep clinical excellence and quality at the forefront of a practice's in-house laboratory.

### Day-to-Day Operations are Covered

Oversight of your new in-house laboratory on a day-to-day basis involves many aspects that must be done accurately and proactively to keep your lab a well-oiled machine. Our team, both in the laboratory and behind the scenes, work to check all of the boxes of essential details such as:

- **Equipment Maintenance and Validation:** We ensure all machines are properly maintained, calibrated, and validated on schedule to meet both regulatory standards and manufacturer specifications. From preventive maintenance to addressing unexpected repairs, we keep your equipment running at peak performance to minimize downtime and errors.
- **Supply Chain and Inventory Management:** We monitor inventory levels, forecast demand, and handle timely reordering of essentials such as reagents, testing kits, and personal protective equipment.
- **Budgeting and Cost Control:** Running a lab can be expensive, but we keep costs in check by optimizing your budget and eliminating inefficiencies. Whether it's negotiating vendor contracts or streamlining supply purchases, we ensure every dollar spent contributes to your lab's productivity and profitability.
- **Workflow Optimization:** We design and refine processes to minimize bottlenecks and ensure specimens move quickly and accurately through the testing pipeline. This reduces turnaround times and enhances your lab's overall efficiency.



## Licensing, Legalities, Regulations, and Data

Operating a high-complexity laboratory means meticulous attention to legal, regulatory, and compliance standards. Laboratories must adhere to a complex framework of federal, state, and payer-specific regulations, including CLIA certification, state licensing requirements, OSHA safety protocols, and CMS guidelines. Failure to meet these standards can result in fines, audits, or even the suspension of operations<sup>4</sup>.

Ensuring every i is dotted and every t is crossed requires constant oversight and knowledge of every change and movement in your laboratory. Pristine documentation from ordering providers all the way down to written changes to internal standard operating procedures (SOPs) must be organized and accessible. Our job is to not only be completely prepared for renewals and external audits, but to be proactive about them.

Staying informed of federal and state regulatory requirements for in-house laboratories is half of the battle that practices alone may not be prepared for. The guidelines and regulations for the laboratory environment are constantly changing as standards for healthcare and technology advance. Our laboratory professionals work to advance your laboratory with those changes and keep data-integrity and compliance at the highest industry standard.



CLIA Certification



OSHA Safety  
Protocols



State Licensing  
Requirements



Federal and  
Commercial  
Payer Regulations



With our team, your detailed reports and data don't sit in a file and wait for inspections either, we make it work for you. Every month, we provide your practice with comprehensive reports covering all aspects of your laboratory's activity. We keep track of metrics on ordering volumes, patient demographics, turnaround times, error rates, orders by provider, positivity rates, and more. These metrics have value in making data-driven decisions for your laboratory in determining where procedures can be improved and where the lab has untapped potential.

Data-integrity and organized documentation are essential to protecting your practice and ensuring your laboratory is operating at the highest standards for you and your patient's sake. We read the fine print and crunch the numbers so that your laboratory helps you run your practice smarter.

## 4. How All-Inclusive Revenue Cycle Management (RCM) is the Secret Sauce

After successfully scoping out the space, designing the perfect layout, sourcing the best equipment, getting all the certifications, and receiving that first specimen to run, your practice has unknowingly agreed to play the game that all laboratories, not just POLs, are set up to lose – the billing game.

A laboratory that doesn't get reimbursed isn't a business; it's a cost center. And if you set out to bill for your claims but don't have the proper billing environment in place, well that can become a cost center in itself. But that's where we come up to bat for you – our all-inclusive offering comes with built in revenue cycle management (RCM) services through our sister company, Phyttest LLC. Billing and collecting laboratory claims isn't just what they do, it's *all* they do. Laboratory billing is not something that can be done effectively without specialized knowledge and dedicated technology, no matter how low the monthly fee is. So, here's where our model really shines.

### Lab Registration and In-Network Know-How

One of the biggest misconceptions about setting up an in-house lab is assuming that because your practice is already in-network with payers, the lab will be automatically recognized and reimbursed for testing. While your practice's contracts with insurers provide a foundation, there are additional steps required to ensure that the lab itself is credentialed correctly so that payers will reimburse for lab services.

This process isn't about getting your practice in-network, it's about making sure your lab is officially recognized within those existing contracts. That means meeting payer-specific requirements, completing necessary registrations, and providing the right documentation to avoid denied claims and reimbursement headaches<sup>5</sup>.

- **Leveraging Existing Contracts:** If your practice is already in-network with certain insurance providers, payers often require additional steps to recognize it as a reimbursable entity within your existing agreements. We handle the legwork to ensure your lab is properly linked to your practice's contracts. This can help avoid delays and simplify negotiations.
- **Obtaining Required Certifications:** We ensure your lab is fully certified with key organizations like CLIA (Clinical Laboratory Improvement Amendments) and Medicare, but with high-complexity laboratories, we go beyond and also receive certification through COLA (Commission on Office Laboratory Accreditation), and CAP (College of American Pathologists). CLIA and Medicare certifications are often necessary for the credentialing process, but COLA and CAP certification further increase a laboratory's chance of getting in-network.
- **Submitting Correct Documentation:** Proper documentation is critical for successful credentialing. This includes up-to-date licenses, lab certifications, and any other required information. Incomplete or inaccurate paperwork can lead to delays or rejections. Each payer has its own process and set of requirements for laboratory credentialing, and those can vary widely. That's why it's essential to understand the nuances of each payer's protocol to avoid delays or mistakes.
- **Timing Submissions During Open Enrollment Periods:** Each payer has specific open enrollment windows when they accept new laboratories for credentialing. Missing these windows can delay the process by months, so timely submission is key.



## The P(l)ayers Playbook

Payers are continuously updating their policies for genetic testing claims, making it increasingly difficult for practices with in-house laboratories to keep up. Big players in the game like UnitedHealthcare rolled out mandates of the use of DEX Z-Codes® for molecular diagnostic tests, including those billed under CPT code 81479, as part of a phased approach in 2024. Claims without the appropriate Z-code are subject to denial, creating administrative burdens for practices attempting to bill these services accurately<sup>6</sup>.

Once a significant payer changes the game, others join in to stay relevant, competitive, and cost-effective, leaving providers scrambling to adapt to the latest billing maze. Other payers, such as Humana, have implemented similar requirements, requiring lengthy test registration and strict compliance with Z-code usage<sup>7</sup>.

For practices with in-house laboratories, navigating these changes can be overwhelming. Properly billing new lab claims requires expertise in payer-specific requirements, consistent monitoring of policy updates, and meticulous test registration through systems like the DEX Diagnostics Exchange<sup>8</sup>.

Without dedicated support from billing professionals who truly know the landscape, these challenges can lead to claim denials, delayed reimbursements, and financial strain.



## Genetic Testing Billing is the Dealbreaker

Billing for genetic testing is one of the most challenging areas in laboratory management. Unlike standard lab tests, genetic testing evolves at a lightning pace, with new diagnostics and breakthroughs emerging regularly. The problem? Billing codes aren't keeping up<sup>9</sup>.

This lack of standardization forces laboratories to adapt quickly, often relying on payer-specific coding systems that vary widely and can change without notice. For practices trying to handle genetic billing on their own, the administrative burden can quickly spiral out of control. Mistakes in coding not only lead to denials but can also result in delayed payments and compliance risks.

When practices choose to build their in-house laboratory with us, they've won the billing game. Once your lab is set up and PhyttestDX has handled the paperwork and specimens, Phyttest LLC. takes over the billing. When our two companies work together with your practice, our equally vested interests align to ensure the success of your laboratory, creating a partnership where everyone benefits from maximized efficiency, compliance, and revenue.

## 5. Case Studies: How Practices are Transforming Their Revenue Model

You don't have to just trust us when we say your practice could be completely transformed – we've got the receipts. The following showcase exactly how our model delivers results. From integrating their first high-complexity laboratory to prepping for the launch of their second huge genetic testing program within the first year of operating, these examples showcase the real-life potential practices like yours have.

### Exceptional Communication, Service, and Quality

Timeliness and consistent communication are vital when challenges and questions arise between providers and the laboratory. When patients are left waiting for days and even weeks to get the clarity they need from diagnostic results, they become anxious and unsure. Trust is established between three pillars we establish with your practice: communication, service, and quality.

Below is a real-life exchange between our client and the laboratory we helped them establish and currently manage. It exemplifies how accurately and quickly we can make results and re-tests available when providers and patients have questions.

**Sent:** Tuesday, December 3, 2024 3:57 PM

**Subject:** NIPT Testing

*Good Afternoon,*

*I have a weird dilemma and need some assistance, if possible:*

*A patient called this afternoon with the following:*

*Prior to her Confirmation of Pregnancy visit at our office she visited an ultrasound/pregnancy facility that conducted NIPT testing which confirmed gender as a girl on 11/15/24. On 11/25/24, she had NIPT testing conducted at our office, our results confirmed gender as a boy. Is there a reasonable response that I should offer this patient?*

*Sincerely,*

*Practice Administrator*

**Sent:** Wednesday, December 4, 2024 8:45 AM

**Subject:** NIPT Testing

*Good Morning,*

*Thanks for reaching out for this issue, I want to let you know what we found.*

*I'm under the assumption this is for a patient with [REDACTED]. The patient had an NIPT in your office on 11/25 and the sample was reported on 12/2. The laboratory pulled the original sample and requisition to visually check for any identification/label or sample integrity issues, all labels and identification quality checks were done completely and correctly for this sample and no issues were found to suspect any sample mishandling in the AWHG laboratory. The lab also double-checked sample performance metrics, and the few interfaced data transfer points to confirm there were no data transfer errors or data point outliers, and we found no issues.*

*We believe the sample belongs to [REDACTED] and was received, processed, and reported accurately based on our findings.*

*To be sure, we are going to repeat this sample from the primary container to confirm the result. We should have the result Friday. I can provide you with images of the sample and requisition as it was received and as it looks after it was labeled if that would help? I'll touch base again once we have the repeat results, if you have any questions in the meantime, please let me know, I'm here to help.*

*Talk soon,*

*Director of Clinical Operations*

**Sent:** Friday, December 6, 2024 9:13 AM  
**Subject:** NIPT Testing

*Good Morning,*

*We repeated the patients NIPT from the original blood tube. The results from the repeated run match the original results, XY and low-risk/normal result for chromosomes tested. All metrics for the repeated test were very similar to the first test, we are confident of the results from the AWHG laboratory for this sample.*

*We understand there could be uncertainty around the fetal sex due to the discrepancies between testing facilities, we would be happy to retest a new collection of blood from the patient at no-charge. If you want to have the patient in for an NIPT redraw, we will test and result the sample normally, but without any charge to the patient. Please let us know if you are going to proceed with this offer and we will treat the sample with priority.*

*I hope this information helps and please let me know if you have any questions or would like additional details about the case.*

*Thank you,*

*Director of Clinical Operations*

Within 3 days, our Director of Clinical Operations provided a thorough assurance of the sample received and results presented within the laboratory, while offering complimentary re-testing at no cost to the patient. \*Mic drop\*

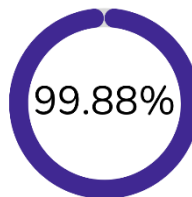
## Industry-Leading Laboratory Performance

When considering an in-house laboratory, one of the most critical factors is performance—turnaround times, result accuracy, and overall efficiency. Many OB/GYN practices rely on large national labs, experiencing unpredictable delays, higher rates of sample rejections, and limited access to actionable patient data.

By contrast, the data below comes directly from a real, actively managed in-house laboratory within a physician practice. These numbers reflect what is possible when a practice takes control of its lab operations, achieving results that exceed national industry standards.

### Turnaround Times: Real-World Speed in a Physician-Led Lab

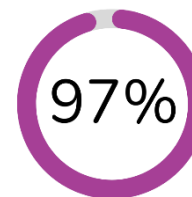
The following turnaround times are based on actual performance data from an in-house lab we actively manage. Compared to national reference labs—where results often take a week or more—this practice's in-house model is delivering significantly faster results:



**Sexual/Vaginal Health Panels:** Turnaround average of 1.5 days, with 99.88% of patients receiving results within 72 hours.



**Non-Invasive Prenatal Testing (NIPT):** Turnaround average of 3.5 days, with 99% of results delivered within 5 days—some as fast as 36 hours.



**Carrier Screening:** Turnaround average of 5 days, with 97% of results finalized within 7 days.

These are not hypothetical figures—this is how a phytestDX-operated in-house lab is functioning right now. With this level of efficiency, patients receive their results faster, leading to quicker treatment decisions and fewer unnecessary follow-ups.



## High Success Rates: More Answers, Fewer Invalids

Accuracy and reliability are essential in laboratory diagnostics. The practice laboratory we manage consistently delivers results at a success rate far higher than industry norms:



**Sexual/Vaginal Health Panel Success Rate:** 99.5% of tests result successfully, minimizing the need for retesting or recollection.



**NIPT Success Rate:** 99.3% of samples yield actionable results, with almost all invalids linked to maternal weight above 200 lbs—valuable data that can guide patient expectations.



**Carrier Screening Success Rate:** So far, 100% of carrier screenings have resulted in diagnostic reports, with no required patient recollections.

For comparison, large national labs often have higher invalid rates and lack transparency into why tests fail. In contrast, this in-house lab's performance allows the practice to deliver reliable, high-quality results with fewer disruptions for patients.

## Low Sample Rejection Rate: A Sign of Strong Office-Lab Coordination

Sample rejections are a common frustration when working with third-party labs. However, in the practice laboratory we manage, the rejection rate is just 0.4%—or 1 in 250 samples rejected. The vast majority of these are due to ID errors or improper sample containers, highlighting the strength of seamless collaboration between the office and lab staff.

**1** OUT OF **250**  
SAMPLES REJECTED

## CERTAIN AGE GROUPS

**2-3X**

UNEXPECTEDLY PRODUCING  
HIGHER POSITIVE RESULTS

## Beyond Testing: Using Lab Data to Improve Patient Care

One of the most significant advantages of an in-house lab is gaining real insights from patient testing trends—something that national reference labs simply don't provide.

For example, at this actively managed laboratory, our lab has detected:

- Certain age groups are testing positive for infections at rates 2-3x higher than expected, leading physicians to adjust their testing protocols for better patient care.
- Patient population trends are informing updated clinical screening strategies, improving both preventative care and treatment efficiency.

These insights demonstrate how an in-house laboratory is not just a revenue stream—it's a tool for better patient outcomes. The ability to monitor and adjust testing strategies based on real-time practice data is a capability that external labs cannot offer.

## How Does Your Current Lab Performance Compare?

The data from this actively managed in-house lab speaks for itself: faster results, higher success rates, and a level of clinical control that enhances both patient care and practice efficiency. How do your current lab services measure up? By bringing testing in-house, OB/GYN practices gain greater financial and clinical control, while lowering costs and improving patient outcomes.

## 6. Empowering Your Practice Financially and Clinically for the Future

The decision to incorporate a laboratory in-house is about more than just revenue, it's about control. Control over patient care, with faster turnaround times and enhanced diagnostic capabilities. Control over costs, by keeping revenue within your practice instead of sending it out to third-party labs. And control over your practice's future, as an in-house lab becomes an invaluable asset that supports growth and independence.

You can control who to partner with, too. Hopefully by the end of this eBook, you've read the countless benefits, the common pitfalls, the issues with the other guys' approach, and how we're uniquely positioned to make your lab not only successful but exceptional.



### Where We Get it Right

We don't just build labs; we build partnerships. From the moment you decide to work with us, our team becomes an extension of yours. We handle everything from lab design, to staffing, day-to-day operations, billing, compliance, and more. Unlike others, we stick around after the lab is up and running, ensuring it performs exactly as expected. Our expertise in clinical quality, credentialing, and laboratory management, backed by our sister company, Phytest's 26+ years of reimbursement expertise, ensures your laboratory will work seamlessly for you, for your providers, and for your patients.



### The Payoff: Financial and Clinical Wins for Your Practice

The results speak for themselves. Practices with in-house laboratories see increased revenue, reduced reliance on outside services, and improved patient satisfaction. Your lab becomes an integral part of your operations, creating efficiencies and providing insights that enhance the care you deliver. With a successful laboratory, your practice is positioned for long-term growth, greater independence, and a competitive edge in the healthcare market.

### Get Started Today

Let's build your lab, your revenue, and your practice's future, all while making the process smoother than you ever thought possible. Ready to get started? We're ready when you are.



(404) 214-4273



[info@phytest.com](mailto:info@phytest.com)



[phytestdx.com/contact/](http://phytestdx.com/contact/)

---

## References

- 1 <https://www.aamc.org/news/press-releases/new-aamc-report-shows-continuing-projected-physician-shortage>
- 2 <https://www.beckershospitalreview.com/hospital-transactions-and-valuation/7-health-systems-selling-labs>
- 3 <https://pubmed.ncbi.nlm.nih.gov/9466642/>
- 4 <https://www.americanhealthlaw.org/content-library/connections-magazine/article/cf86c7c6-e123-4943-90a6-61e67ec5c3d8/legal-issues-with-physician-office-laboratories>
- 5 <https://medtrainer.com/blog/insurance-credentialing-issues-in-healthcare/>
- 6 <https://www.uhcprovider.com/content/dam/provider/docs/public/prior-auth/genetics/Z-Code-Requirements-DEX-DX-Exchange.pdf>
- 7 <https://www.labpulse.com/diagnostic-technologies/molecular-diagnostics/article/15684287/humana-unitedhealthcare-change-zcode-requirements-for-molecular-diagnostic-test-claims>
- 8 <https://www.dexzcodes.com/palmetto/dex.nsf/DIDC/XHHX62A8AE~Commercial%20Plans>
- 9 <https://www.xifin.com/resource/blog-post/cracking-the-code-mastering-z-codes-for-molecular-and-genetic-tests/>