



Staffing Shortage Revealed During Site Visits to Medical Laboratories in New Zealand

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Pathology and laboratory testing services are contracted by district health boards

Dateline: Christchurch, New Zealand—After two weeks of pathology meetings and lab site visits in Australia and New Zealand, your Dark Daily editor has gained new insights about pathology and laboratory medicine in these two English-speaking countries. One notable point is that, despite the fact that both countries have universal health coverage, their pathology and clinical laboratories are under significant financial stress.

This comes from a combination of factors. Their growing (and aging) populations are utilizing laboratory tests at increased volumes. At the same time, each government health system is using a variety of laboratory contracting practices to control spending on lab testing—thus steadily squeezing down the overall reimbursement paid to laboratories. Medical

training programs in both countries are failing to graduate adequate numbers of pathologists and laboratory scientists. This is particularly true in New Zealand, where some rural regions are understaffed with adequate numbers of pathologists.

While in New Zealand, your Dark Daily editor was invited to conduct site visits at two laboratories. On last Tuesday, I visited [Aotea Pathology](#) in Wellington, New Zealand, on the North Island. This medical laboratory serves primary care physicians in Wellington and surrounding region, which includes a population of 400,000 people. Per the terms of its five-year contract with the local health authority, which started on November 1, 2006, it performs a specified menu of 600 assays in-house. Genetic tests and other types of assays are referred to another laboratory.

Chief Executive Officer (CEO) of the laboratory was pathologist Karen Wood, M.D., who was a gracious host during the laboratory tour. Arotea Pathology operates a modern laboratory that was opened three years ago. This facility was specifically designed to serve its five-year pathology services contract with the local health district in Wellington. “Two private pathology companies come together to bid for this contract,” stated Wood. “Aotea Pathology was created by merging Medical Laboratory Wellington (owned by Abano Healthcare) and Valley Diagnostic Laboratories (owned by [Sonic Healthcare Ltd.](#)). We have 15 pathologists and provide testing for an average of 3,000 patients per day.”

The second laboratory site visit came last Friday in Christchurch, on New Zealand’s South Island. [Canterbury Health Laboratories](#) operates an off-site core laboratory, along with laboratories in these hospitals: Christchurch Hospital, Christchurch Women’s Hospital (Burwood), The Princess Margaret Hospital, and Ashburton Hospital. General Manager and clinical biochemist

Trevor English explained that “we are the largest laboratory organization on the South Island and perform more than 2.5 million tests annually. We act as a reference laboratory for the South Island. Also, since 2001, we have provided reference testing for some parts of the North Island. For that reason, we conduct more than 950 assays in-house in our main lab facility.”

“Canterbury Health Laboratories (CHL) employees more than 300 people,” continued English. “Because we do plenty of reference testing, our staff includes 20 pathologists, 18 scientists and 103 registered medical technologists. Integration of health informatics is underway in our country. Our laboratory supports direct electronic test ordering and lab test results reporting. This includes the capability of reporting through HealthLink’s information system to more than 200 general practice clinics.”

CHL operates from a laboratory facility that is located across the street from 650-bed Christchurch Hospital. It is connected to the hospital with a pneumatic tube system. During the laboratory site visit, the energetic English showed a neat laboratory, equipped with a host of automated systems. CHL has been using quality management methods, such as Lean and Six Sigma, to simplify work processes and English reports good results from these improvement projects.

During both site visits, the leadership of each laboratory expressed a common primary concern: the lack of skilled laboratory professionals. Each laboratory currently finds it challenging to maintain staff at authorized levels. Moreover, a significant portion of each lab’s workforce is approaching retirement. Thus, both laboratories expect a staffing shortfall in future years, particularly since New Zealand’s education system is not graduating adequate numbers of pathologists and laboratory scientists. Further, with a population of only 4.3

million, New Zealand does not have a deep recruiting pool. Thus, it is likely to be one of the world's first developed economies to confront the consequences of an undermanned pathology/laboratory testing service!

Your Dark Daily editor,

Robert L. Michel