

Mobile Pathology Service Fuels Increased Revenue

► **Mobile anatomic pathology laboratory allows pathologists to deliver real time diagnoses**

►► ***CEO SUMMARY: When pathologist Raman Sukumar, M.D. founded a generalist pathology practice in 2003, he was convinced that local doctors would support his vision of pathology at the point of care. That vision was validated by rapid acceptance of his mobile pathology laboratory and a steady flow of new specimens. Doctors Pathology Services now employs 30 people and has enough work to support 3.5 FTE pathologists.***

PATHOLOGY AT THE POINT OF CARE is precisely what fuels the profitable and steady growth of **Doctors Pathology Services (DPS)** of Dover, Delaware. It uses a mobile laboratory to provide pathology services on site to ambulatory surgery centers (ASCs), diagnostic imaging centers (DICs), physicians, and hospitals.

Since its founding by pathologist V. Raman Sukumar, M.D., DPS has used a unique strategy to grow its business. It brings the pathology laboratory to the customer. This strategy not only brings Sukumar into the care continuum, but it helps his physician-clients become more profitable.

Recently, THE DARK REPORT profiled Doctors Pathology Services (www.dpspa.com) and its remarkable growth story. Organized to be an office-based, generalist pathology practice in 2003, it has grown and now has the equivalence of 3.5 full-time pathologists to service its clients. (See TDR, November 27, 2006.)

This intelligence briefing analyzes the cornerstone of Sukumar's success: his patent-pending, mobile pathology laboratory. He calls his "I come to your office"

service the Mobile Intraoperative Consultation Service™ (or MICS™). It provides a case study for a new model for generalist pathology, one based outside the traditional community hospital setting.

► **Seizing The Opportunity**

"Our MICS service is a pathology laboratory built in a van about the size of a typical delivery truck," noted Sukumar. "I can work about 30% more efficiently in the mobile laboratory than I can in the office. Plus, not only is it more efficient, but the operation impresses the surgeons, nurses, operating room staff, and even patients who see how we run tests and produce results on the spot."

"The simple act of driving up in the mobile laboratory and providing pathology services to client surgery centers and hospitals is the most powerful marketing we can do," explained Sukumar. "Surgeons who come into the van become a captive audience—for all the right reasons! While surgeons wait for the diagnosis, we can market our services to them. We can discuss our range of services and show them how our pathology-at-the-point-of-care

can help them increase patient volume and revenue.

“In this way, we have favorably turned the tables for pathologists,” he added. “In a typical hospital, the pathologist is at the ‘beck and call’ of the surgeons. But in our mobile pathology laboratory, we are much more a part of the healthcare team. We’re like them, in part, because we wear scrubs and work in the operating room. But more important than that, we are present at the point of care, which gives them an economic advantage. They can bring many more cases to the ASC or DIC because there’s a pathologist on site, allowing them to generate income. Without us, they have to do these procedures in the hospital, which means a loss of revenue and is less efficient.

“It is common, when we go to a DIC or an ASC, for physicians to ask us, ‘Can you stay for one more case?’ Or, they’ll say, ‘The patient has cancelled. Can I get you lunch while we wait for the next case?’” he noted.

“This is why I say the tables have turned in ways that are favorable to pathologists,” Sukumar explained. “We provide a channel of pathology services around which surgeons begin to shape their practice. It makes us an integral part of the surgeons’ clinical practice and revenue stream.

➤ Limited Test Menu On Site

“When working in the van, our menu is limited to only five or six tests,” he continued. “We do frozen sections, fine needle aspirations, STAT IHC for sentinel nodes, and facilitate collection of specimens for muscle biopsies, genetics tests, and cultures. Normally, to get these simple tests, most physicians must depend on the hospital for minor procedures.

“Without having a pathologist at their site, they are left with the option of either sending some tests to the local hospital or to a national commercial lab with the risk that the specimen might be rejected for improper collection,” observed Sukumar.

“And when surgeons and other physicians who own the ASC send the tests to the hospital, the hospital might ask, ‘Why should we provide laboratory services to you when you’re a competitor?’

“The truth is that our limited test menu is the linchpin for these surgeons,” Sukumar said. “These tests allow the physicians to cut the cord from the hospital and operate their surgery center independently. By using our mobile services, they can generate income and thumb their nose at the hospital. In essence, we give surgeons what they want, and that gives us competitive advantage over other pathology competitors—both regional and national.

➤ Physicians With Laboratories

“Besides these clients, we also serve another growing market niche,” he continued. “Our mobile pathology service makes us an in-house pathology consultant for many of these ASCs. We help them set up their own in-house laboratory, handle CLIA certifications, and prepare SOPs. The POLs facilitate better patient care and are profitable even if insurers cease paying for in-house lab work.

“In Delaware, we have seen more and more endoscopy and urology groups lose money after opening their own surgery centers,” continued Sukumar. “Here’s an example: A large urology group with eight urologists built its own ASC and used an out of state lab for pathology work. But health insurers served notice that they would stop payment to the urologists for many of their procedures. The urologists had to merge with a general surgery ASC which uses us exclusively for all their pathology work because of what we bring to the table. Now we receive all of their uropathology specimens.

“Our business is just like any other,” Sukumar said. “We give our customers what they cannot get from other sources and they give us all of their work. Our mobile pathology laboratory travels to a different surgery

Mobile Pathology Laboratory Is Welcomed By Surgery Centers and Office-Based Docs



◀◀ At left is an exterior view of the mobile pathology laboratory designed and operated by Doctors Pathology Services of Dover, Delaware. This van visits ambulatory surgery centers (ASCs), diagnostic imaging centers (DICs), and physicians offices to provide pathology services at the point of care.

At right is a photo of the interior of the mobile pathology laboratory. It is equipped with the equipment necessary for cutting, staining, and reporting to support the on-site service menu. Primary services provided are frozen sections and adequacy for fine needle aspirations (FNAs). The mobile pathology laboratory is driven to the client's site by a pathologist, who performs all testing while on site. ▶▶



center every day. On average, we perform about four tests a day, or about 100 various procedures every month

► Physician Productivity

“Most days we go to one surgery center in the morning and to another in the afternoon,” he stated. “On rare occasions, we go to one ASC in the morning and stay there the whole day. By scheduling in advance, surgeons line up all of their frozen sections for the day. That increases the productivity of the surgeons and is better for patients.

“When the surgery center schedules a number of patients in one day, they do so with well worked-up cold cases, not emergencies,” Sukumar added. “Then, they

work on all of the patients requiring frozen sections in sequence, one after the other.

“When they work with this type of schedule, they often use two operating rooms,” noted Sukumar. “The surgeon removes a lesion and the pathologist works on the frozen section. While that patient waits in the first room, the surgeon goes into the second room and removes a lesion from a second patient in that room.

“After 20 minutes, we deliver the diagnosis on the first patient and we start work on the second frozen section,” he explained. “This work flow means that these surgeons don’t waste time. Anesthesia is running and surgical procedures proceed smoothly and efficiently.

Our van is designed to allow us to work in this manner all day.

“Here’s another example of how our mobile laboratory can change surgical work practices,” observed Sukumar. “In some surgery centers, especially in plastic surgery, the surgeon is operating on eyelids or very critical areas of the face.

➤ **Performing Frozen Sections**

“Typically, they will remove enough tissue ahead of time and the margins are hardly ever positive for tumor. So, they start closing the patient while we do a frozen section,” he said. “Nine times out of ten, we find the margin is clean and by then, they have closed the patient. In this way, they get their answer, and no time is wasted. But in one case out of 10, we find the margin is positive, and the surgeon has to go back to work on the patient. Because the patient is still under anesthesia, this work is accomplished in the same surgical session.”

THE DARK REPORT notes that by being mobile, Sukumar is positioned to be an integral part of the healthcare team. By providing diagnoses on site, DPS has all the advantages of being an in-house service but with none of the conflict-of-interest questions that a surgeon-owned lab might raise.

➤ **Physician-Friendly Pathology**

What’s more, because physicians using the services of DPS’s mobile laboratory can schedule patients selectively, the mobile lab improves the efficiency of their operations and helps them get the most out of their investment in an ASC. In addition, insurers view the mobile lab as a way to cut expenses and allow DPS to be a participating provider even if they have exclusive contracts with a commercial lab. Meanwhile, Sukumar’s mobile laboratory allows him to take advantage of a need in the marketplace that had previously gone unmet.

TDR

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Mobile Pathology Vans Used by Florida Paths

DURING THE 1990s, several anatomic pathology groups in Florida developed mobile pathology vans. This was a response to intense competition for physician referrals.

Because of the high volume of case referrals generated by dermatologists in Florida, mobile pathology services were generally organized to serve this particular medical specialty. By contrast, in Delaware, Doctors Pathology Services is using its mobile pathology laboratory to service a range of medical specialties, including dermatology, urology, and gastroenterology, among others.

One pathology group using a mobile pathology van was **Palm Beach Pathology**, based in West Palm Beach, Florida. THE DARK REPORT provided an intelligence briefing on how Palm Beach Pathology was using its pathology van to compete for new business and reinforce existing client relationships. (See *TDR*, January 22, 2002.)

The mobile laboratory van used by Palm Beach Pathology was designed to accommodate both a histotechnologist and a pathologist working at the same time. During the day, while waiting for on-site specimens to be processed, the pathologist would read other cases to maximize his or her productivity while on site at a client’s location.