



Driving value for **employers** and **members**

How Quest Diagnostics partnered with a health plan and an employer to change employee behavior toward lab testing: a two-year case study

The situation

Quest Diagnostics is the preferred national lab provider for a health plan that has a long-standing relationship with a national membership warehouse club.

Like many companies, the warehouse club wanted to find a way to reduce health insurance costs for both the company and its employees. To that end, the company had started to transition more of the financial responsibility to employees and began using communications to steer employees to Quest for lab testing.

While this had an impact, the warehouse club was eager to save additional costs—without compromising quality. This led the health plan and employer to create a tiered lab benefit program featuring Quest.

Engaging a **diverse workforce** to keep members in-network and help **lower lab spend**



Year 1: The challenges

Saving money without compromising quality

Initially, due to membership growth in the benefits program and rising out-of-network lab spend, the biggest challenge was to develop a program that would drive members to Quest—to save money without compromising quality.

Changing behavior and engaging a diverse workforce

While it can always be difficult to change behavior—especially as it relates to one's health—another challenge was identifying streamlined opportunities to engage the company's diverse workforce. Employees range from executives and office staff to drivers and in-store clerks, spanning multiple demographic groups with a broad spectrum of health issues. Some of these employees lack access to a computer and/or email, making company-wide engagement more difficult.



The solution

Quest collaborated with the health plan and employer to implement a tiered lab benefit program, resulting in \$0 out-of-pocket costs for covered lab tests performed by Quest. To reach all employees, the program featured a comprehensive communications approach—including both print and online tactics—to introduce the program and promote the benefits of using Quest for all lab testing.

Business reviews between the health plan and Quest allowed the teams to exchange key learnings and adjust the messaging as necessary, including the development of tailored communications to frequent lab users.

Year 2: New challenges and an enhanced solution

Beyond the initial implementation of the program, year 2 witnessed a steadily increasing number of members and a significant spike (64%) in the average out-of-network cost per test (price per CPT).

To help address the needs of current and new members, the health plan, warehouse club, and Quest worked together to enhance access support for members, promoting the use of the MyQuest™ app for easy scheduling. At the same time, Quest began opening new Patient Service Centers (PSCs) in retail locations to make testing more convenient.

In **two years**, the lab benefit has returned **tremendous value to the employer**

The results

Changed behavior

By tailoring a benefit design and communication plan to help members understand the benefits of using Quest for lab testing, the program helped significantly reduce out-of-network lab orders, despite increased membership and rising out-of-network costs per test.

Lab savings

In year 1, membership increased by nearly 12,000, and the average cost per out-of-network lab test increased by 25%. By focusing on shifting lab work to Quest, the employer was able to help combat these increases. If the lab spend had continued to remain out-of-network, it would have dramatically increased. Instead it remained flat year-over-year.

In year 2, membership increased by more than 7,500. The average cost per out-of-network lab test spiked significantly, with a 64% year-over-year increase. By decreasing out-of-network lab orders by 22%, overall lab spend for year 2 only increased by 13%.

Out-of-network lab orders* decreased by:

49%

YEAR 1

22%

YEAR 2

*Based on CPT count

Year 1 results

-37%

OUT-OF-NETWORK LAB SPEND

+12K

MEMBERS

+0.4%

TOTAL LAB SPEND

The health plan, warehouse club, and Quest continue to benefit from a strong, collaborative partnership.

Making it easy for members to keep their lab testing in-network

Quest's solutions and services make it easier for members to follow through with important lab testing while staying in-network:

- Mobile phlebotomy services—in-home lab and biometrics collection for members who have difficulty getting to the lab
- Conveniently located PSCs, with more than 2,200 locations nationwide—including retail locations—and early-morning and weekend appointments
- MyQuest™ app—enables members to receive lab results, schedule appointments, and find nearby PSCs

A **committed partner** investing in the **services you need to succeed**

Quest is dedicated to collaborating closely with you to help improve your member experience. Our solutions are designed to optimize member engagement and health.

- Tiered lab benefit programs
- End-to-end wellness solutions
- Chronic condition and specialized screening programs
- Employee drug screening



To learn more, contact your Quest Diagnostics representative
or visit us at QuestDiagnostics.com/HealthPlans.