

A MEMORIAL

REQUESTING THE DEPARTMENT OF HEALTH TO STUDY THE FEASIBILITY OF CONDUCTING A PILOT PROJECT TO REDUCE THE UTILIZATION OF UNNECESSARY LABORATORY TESTING IN HOSPITALS.

WHEREAS, according to a study conducted in a major clinical laboratory in New Mexico, much unnecessary, duplicate and obsolete laboratory testing is routinely performed on patients who are hospitalized; and

WHEREAS, data mining to identify inpatient tests that were repeated within one hour, or outpatient tests that were repeated within one day revealed that an estimated one hundred fifty-six thousand duplicate tests were performed in New Mexico at an annual cost of one million eight hundred seventy-two thousand dollars (\$1,872,000); and

WHEREAS, this same study found that substantial savings could be achieved in New Mexico by replacing obsolete laboratory tests with newer, more appropriate tests; and

WHEREAS, a study published in the *Journal of the American Medical Association* reports that the percent of inappropriate laboratory testing has been steadily rising since 1965; and

WHEREAS, the combined impact of duplicate, obsolete and inappropriate testing in New Mexico, based on the average cost derived from two separate methods of calculation, suggests

that more than eighteen percent of laboratory tests performed in New Mexico may be unnecessary; and

WHEREAS, the potential savings from eliminating all unnecessary testing is close to sixty million dollars (\$60,000,000) to New Mexico; and

WHEREAS, an estimated seventy percent of medical decisions are driven or monitored by laboratory test results; and

WHEREAS, better use of laboratory tests would likely lead to better use of medical and surgical therapies and result in indirect savings to the health care delivery system; and

WHEREAS, approaches to reduce the number of unnecessary laboratory tests include direct consultation with experts, more rigorous parameters for ordering laboratory tests, enhanced and immediate feedback to ordering physicians regarding charges for laboratory tests, results of using particular laboratory tests, predictions of test results using mathematical models and reminders regarding previously ordered, redundant tests; and

WHEREAS, structured performance improvement activities with use of best laboratory prescribing practices tied to required continuing medical education are available through the accreditation council for continuing medical education and the American medical association; and

WHEREAS, two hospitals and a major clinical laboratory in New Mexico are already in partnership to implement criteria designed to change physician prescribing practices and reduce or eliminate unnecessary laboratory testing as part of a quality improvement initiative; and

WHEREAS, a project to pursue more widespread implementation of such activities could be at least partially funded through a variety of sources, including private and federal government sources; and

WHEREAS, New Mexico is garnering attention from regional clinical laboratories, other states and nongovernmental health care payers for its preliminary work in addressing this problem;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE STATE OF NEW MEXICO that the department of health be requested to study the feasibility of conducting a pilot project to reduce the utilization of unnecessary laboratory testing in hospitals; and

BE IT FURTHER RESOLVED that the department of health consult with and utilize the services of a statewide clinical laboratory in developing the project and identifying standards for the reduction or elimination of unnecessary laboratory testing in hospitals; and

BE IT FURTHER RESOLVED that the department of health report to the interim legislative health and human services

committee by September 2010 on the feasibility of implementing such a pilot project; and

BE IT FURTHER RESOLVED that a copy of this memorial be transmitted to the secretary of health.