

Take the next step in managing costs and optimizing revenue

In rural areas, hospitals not only serve as centers of care, they also serve as the economic backbone of the community, providing jobs to residents and serving as a catalyst for new businesses.

So when one hospital closes, it can have a significant impact on the community. And in today's market, many of these small hospitals fight a day-to-day battle to stay afloat and deliver the care their community so desperately needs. Part of that fight happens in the lab, where decreasing reimbursements, misdiagnoses and inefficient processes can impact financial health.

Medicare's new Clinical Laboratory Fee Schedule has reduced test reimbursement by **40-50%**

Source: Impact Advisors



PAMA resulted in a decrease in reimbursement for approximately

75% of lab tests

Source: CMS



64% of high financial risk rural hospitals are considered essential to their communities

Source: Navigant



430 rural hospitals in 43 states are at high risk of closing

Source: Navigant

As of 2017, roughly **30%** of hospitals were losing money

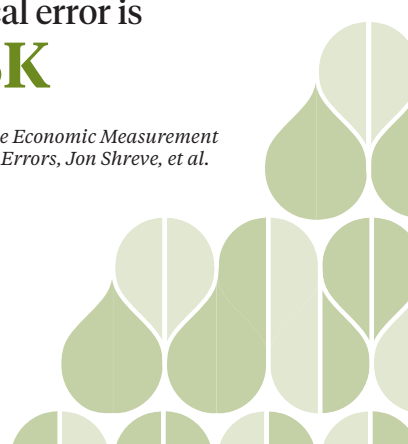


Source: HIDA, 2018 Laboratory Market Report

The average cost per medical error is **\$13K**



Source: The Economic Measurement of Medical Errors, Jon Shreve, et al.



McKesson can help you take control with lab solutions that manage costs and optimize revenue

Physicians strongly agree that investments in lab technology lead to cost savings.* McKesson can turn your lab into a revenue center with a portfolio of targeted solutions that include:

- **Best-in-class distribution** of equipment and supplies at a competitive price
- **Wide selection** of equipment and diagnostics technology
- **Outreach strategies** to optimize reimbursements and revenue
- **Inventory management** to cut time and costs



“It helps that McKesson has a relationship with our GPO so we can get the best pricing available.”

— Kim Riley-Adams,
Director of Laboratory
Services, McFarland Clinic

Source: The Lancet Infectious Diseases

Medicare Part B
fee cuts totaled
**\$400
million**
in 2018, causing labs
substantial losses

Our robust analytics can identify opportunities to standardize products and reduce inventory to save money and mitigate the effect on your bottom line.

Source: CMS

GPOs saved
hospitals up to
18%
across most expense
categories

Our relationships with major GPOs bring you wider access to your “hot list” items at prices you can afford, with financing options available.

*Source: Healthcare Supply
Chain Association*

Hospitals spend
**\$28B to
\$45B**
to treat HAIs

Our antibiotic stewardship program uses aggressive diagnostics, coordinated data and change management support to reduce the antibiotic misuse leading to HAIs.

Source: Centers for Disease Control

For more information on how our lab solutions can address your challenges, visit mms.mckesson.com/stewardship.

