

2 November 2018

Dear Colleague,

### Extension of community laboratory testing contract between Northern Region DHBs and Labtests

I am writing to share with you the news that the Northern Region's four district health boards, covering a population of 1.8 million people, have secured a long-term agreement that provides ongoing certainty about the provision of community-referred pathology services.

The DHBs have entered into a six year term extension (2020 – 2026) with Healthscope to continue providing community referred pathology services to our extensive network of GPs, midwives, fertility clinics, and private hospitals and specialists through Labtests and Northland Pathology.

The Auckland DHB Anatomical Pathology Service (APS) will continue to provide community referred histology, cytology and cervical cytology services for the greater Auckland region.

Our key reasons for entering this agreement included;

- The need to **secure continuity of a quality service** – through our Northern Region Long Term Planning (NRLTIP) work we know we have a significant task to meet the projected changes in population, demographics and burden of disease for our region over the coming 10 – 20 years. Laboratory services for our community and acute settings are a key clinical service.
- A desire to **minimise the risk** of a service disruption due to any transition of provider – we have experienced a period of stable, quality service delivery and with lots of transformation occurring in other areas of our DHBs and wider health system requiring our efforts at the moment.
- The opportunity to shift the relationship between the DHBs and the provider to **build a strategic partnership** – our ongoing arrangement has added specific requirements for enhanced collaboration. We will work together to drive change, and create the laboratory services network for the future of the Northern Region.

Given the commercially sensitive nature of these discussions, the Chairs of the Region's Audit Risk & Finance Committees led the work at the request of the DHBs Boards. A robust set of analysis and negotiations were undertaken and the final decision was taken by DHB Boards.

The Northern Region is committed to having a harmonised **high-performing regional laboratory system** working across the four DHBs as well as the community, and we're pleased that this contract extension will contribute to our overall strategic aims.

Yours faithfully,

Dr. Margaret Wilsher  
Regional Lead CMO, Laboratory Services