Adoption of managed clinical services by the UAE and KSA hospitals

Report findings by:

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By Informa Markets

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Approximately 15% of laboratory services are carried out in independent laboratories in the KSA. Hospitals deal with almost 70 % of test volumes and lower specialization levels, forcing them to outsource tests. As a result, the outsourcing of tests has been a primary driver of growth for independent labs and will continue to provide a stimulus. KSA has faced the challenge of two viral outbreaks— MERS-CoV since 2012 and COVID-19 (SARSCoV-2) in 2020—which require self-contained diagnostic facilities for efficient diagnosis and control. Clinical services outsourcing offers immediate support to struggling hospitals in terms of resources and costs. It allows for more successful navigation through cumbersome reimbursement processes and bad debt challenges. The hospital business also eliminates the front-end and back-end costs associated with specimen acquisition and report delivery. The heightened burden of chronic diseases, requiring frequent testing, demands continuous participation of clinical labs throughout the entire course of treatment.

Recommendations:

- Labs will need to work on their relationships with hospitals to receive significant volumes of outsourced tests. They can use a two-pronged approach and form joint ventures with hospitals, investing in their capabilities and gaining volume share
- Labs need to build specialized infrastructure and a skilled workforce to build strength in esoteric and complex testing, thus offering value and differentiation to hospitals

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