

## Laboratory services continuity assured

The three Auckland regional District Health Boards advise that they have reached agreement with Diagnostic Medlab Limited (DML) (a subsidiary of Sonic Healthcare Limited, ASX code SHL) for the ongoing provision of full primary referred pathology services across the Auckland region.

The transition to a new contract (effective from 1 July) will be seamless in all respects. The process of agreeing this new contract took into account clinical advice from the Chief Medical Officers to ensure patient safety and quality of service.

Some relevant conditions of this new agreement are advised in the public interest.

- The contract is for a period of 18 months in the first instance.
- The contract will result in savings of more than \$10million through the contract term for the same level of service. This demonstrates DML's understanding of the need to deliver financial savings for the region.
- Current service levels, quality standards, turnaround times, and staffing levels will be maintained. The DHBs will work to develop longer term preferred configuration options for collection services. Any significant changes will be made only after appropriate consultation with community, provider, user and referrer representatives has taken place.
- Specific performance measures through the period of the contract have been agreed.
- The parties will work together to provide a greater level of transparency so that there is increased understanding of the cost and volume of the service.
- Both parties acknowledge the importance of the continuity of community laboratory services and accordingly cooperative transitional arrangements for any eventuality at the end of the contract term are provided for.

Garry Smith, on behalf of the three DHB CEOs in Auckland says they are pleased to secure an interim arrangement which includes some of the strategies that the DHBs are wanting to achieve in their long-term vision for laboratory services.

He commended DML's approach to achieving this Agreement.

"Our discussions have been constructive and we look forward to a productive working relationship over the ensuing period.

"All people in the region can be assured that they will continue to have a quality service going forward," says Mr Smith.

DML Chief Executive, Dr Arthur Morris, says; "DML and the DHBs are committed to working together in a positive relationship in the best interests of the Auckland region."

The three District Health Boards (Waitemata District Health Board, Auckland District Health Board and Counties-Manukau District Health Board) have ratified the contract.

Ends.

Contact:

Auckland Regional DHBs  
Sally Haysom  
Phone: +64 219 64 944

Diagnostic Medlab Limited  
Dr Arthur Morris  
Phone: +649 571 4093  
Mobile: +64 274 352 727