



September 2006
Vol 14 Number 09

A New Player

Direct-to-consumer lab testing is in the news again. A recent newspaper report (“New Online Services Tout Low-Cost Medical Tests,” The Wall Street Journal, June 20, 2006) suggests that the trend may be picking up steam.

The players that are mentioned are MedLabUSA.com, MyMedLab.com, HealthCheckUSA and DirectLabs.com. One big player — diagnostic-testing company Quest Diagnostics — dissolved its online retail unit, QuesTest, in March 2006, reportedly because of poor sales performance. (Quest was unavailable for comment for this article.)

Typically, these companies allow the consumer to log on to their Web site, learn about lab tests, and then order one or more of them online. The consumer then goes to a specimen-collection laboratory in his or her area (most of the companies have contracts with the big lab companies, such as LabCorp and Quest Diagnostics), and the test is conducted. The consumer can pick up the results online a day or two later. In some states, consumers can do all this without the intervention (and cost) of a physician. In others, a physician’s signature is needed, so the online companies provide a physician to oversee the testing. In just two states — New York and New Jersey — the concept is prohibited because the consumer must be billed directly by the performing laboratory.

Wellness and cost

David Clymer, President/CEO of MyMedLab.com, says that he believes that direct-to-consumer lab testing is about two things — wellness and cost.

About 10 years ago, after working in a number of labs, Clymer created a company that provided health fair screenings and drug/alcohol services to local companies. “It became obvious there was a huge underserved market of consumers trying to educate themselves about their health, who were being shut out by the medical community,” he says. Consumers were eager to check their own health status, but were reluctant to pay the fees being asked by doctors and hospitals. So in 1994, Clymer and a partner opened a direct-to-consumer lab. Over the past two years, they created MyMedLab.com.

Clymer says that his company can provide lab tests for 80 percent less than a hospital, and 50 percent less than a physician. (Add to that the fee for a doctor’s office visit just to order a test, he says.)

But as important as cost is to consumers, their desire to stay on top of their health may be even stronger. “In healthcare today, 20 percent of patients use 80 percent of the services provided,” says Clymer. “We call this group — representing one in five Americans — the ‘sick care’ portion of the market. This group is already receiving care from their doctor or hospital. This is not our typical consumer, even though we could help them lower costs for testing. Our consumer is not the patient in a hospital bed trying to save \$50 on a lab test before they have surgery. Our consumers are the other 80 percent of Americans trying desperately to stay healthy and out of that 20 percent. That’s the basic definition of wellness.”

The most common test ordered from MyMedLab.com is the \$45 general health screen, consisting of a comprehensive metabolic profile, additional automated chemistries and a lipid profile.

Clymer believes MyMedLab.com is here to stay, because of its commitment to educating consumers about health and the value of lab testing. "Over our history, we have seen many [direct-to-consumer lab testing companies] come and many go. Most fail because they don't understand that [although] testing is a large part of the business, you must educate the consumer to give them a real value. Successful providers make learning about your health easy to access and in terms consumers can understand."

When asked about reaction of doctors to services such as MyMedLab.com, Clymer says this: "If the doctor is genuinely interested in providing the patient with the best care possible, they find our service a welcome improvement by making healthcare more affordable and convenient to their patient. Many consumers, because of the huge costs, don't have med evaluations or periodic screenings without our service. We also provide the health education to the patient that [doctors] simply don't have time to provide."