

# THE VANGUARD VIEW

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## **COVID-19 Creates Growth in the Number of New Laboratories**

When the pandemic first hit, laboratories and manufacturers scrambled to develop tests to support COVID-19 testing in the United States. Many of the traditional payers developed and launched their testing platforms at their respective business units across the country. The interesting thing is, we saw a significant rise in new payers to the equation. Many of which have a modest capacity, while others use automation, robotics, and processes to create mega COVID-19 laboratories processing anywhere from 100-200,00 tests a day.

As a leading recruitment firm in the diagnostic space, we are fortunate enough to have assisted many of these entities in expanding their companies, from 10 employees to 4,000 employees.

So, what's next for these COVID-19 testing labs? When speaking with our clients, many are looking to expand their test menu, build out their sales infrastructure, and reinvest some of the COVID-19 proceeds into these emerging laboratories. We now see labs looking to offer a wide array of molecular assays from UTI, STD, RPP, GPP, and wound care.

How these new lab entities perform over time is to be determined. From commercializing new technology, gaining contracts with payers, compliance, and all the complexities around revenue cycle management, it is important to have team members who understand the space. Having been in the laboratory business for over 30 years, we look to partner with these new entities to not only aid in building teams, but also provide access to our network of resources across all functional areas within a laboratory.