

Lab Wars



Our March story (*Labotomy*) reported the scrap over Auckland community pathology services, which a year earlier were awarded to new outfit Labtests Auckland – headed by CEO-shareholder Tony Bierre – leaving six-decades provider Diagnostic MedLab out in the cold.

In late March, the High Court overturned Labtests' eight-year contract (due to begin in July 2007), ruling Auckland District Health Board member Bierre had a conflict of interest and Auckland's three health boards didn't fulfil their obligation to consult primary health organisations. Labtests appealed (and can't have been thrilled when the date was set down for May 2008).

In the meantime what about the patients? A new interim contract was ratified with DML and at testing stations since it's been business as usual with 750 Diagnostic MedLab staff confident of DML's continued tenure.

In April the DHBs set up an independent services support agency to (among other duties) monitor the interim contract, and research the community-pathology tendering and contracting process.

The committee's initial research on the magnitude of work involved suggests Labtests' projected savings were untenable – and the agency has recommended labs should be ready to open before they tender.

Despite these preliminary steps, in November the Auditor-General criticised Auckland District Health Boards for failing to tackle conflict-of-interest issues following the case.

Bierre is now working in Australia.