PREMIUM REPORT CONTENT

This quick report is available to anyone at no cost. However, our full comprehensive reports (including the underlying data) are only available to participating healthcare providers and their organizations and ReactionData clients. See below for more information about obtaining our Premium Reports. The premium content for this report includes:

- Customer satisfaction ratings for both LIS and digital pathology market segments, shown as an aggregate rating of all vendors. (Individual vendor C-sat recommendation scores will only be shared on an individual basis to vendors with a license.**)

- A discussion of hospital utilization of molecular and genetic testing, including growth projections and data segmented by test volumes.

- Which LIS vendors are being targeted by providers for replacement and underlying reasons why.*

- Verbatim provider feedback** about specific vendors that are at risk of losing contracts.*

- A comprehensive look at current LIS market share and mind share leaders, with data broken out by test volumes.

- A high-level look at providers’ plans to purchase digital pathology solutions, as well as current market share and mind share of digital pathology vendors overall and segmented by hospital size.

- A list of the healthcare facilities that participated in this research study.

Also, healthcare providers who did not participate can still receive the premium content for this study by signing up to participate in future research studies. See below for instructions.

The following are eligible to receive our comprehensive reports:

1. Clients of ReactionData with an active license. For more information about obtaining a license contact Jeremy Bikman at jeremy.bikman@reactiondata.com.

2. Healthcare provider organizations and their associated networks (including: hospitals, clinics and practices) do not need a license to receive our full, comprehensive reports. To be eligible, at least one related employee must participate in the associated 60-second, web-based research initiative. We value participation from all caregivers, technology and support personnel, and leadership.

*Because of the sensitive nature of individual vendor data, we withhold this information and disseminate it only to the vendor in question.

**We do not disclose participant names or their healthcare facilities when sharing provider feedback.
VENDORS IN THIS REPORT

AGFA
Aperio®
Cerner
CGM
Evident
Genesys®
Allscripts™
Aspyra®
Clarient®
Epic

INTRODUCTION

Hospital labs help inform physicians’ diagnostic and treatment decisions, and the ability to do so quickly and accurately is a necessity. When a patient enters a hospital or physician’s office, physicians must often rely on the lab for information that will allow them to diagnose and properly treat the patient. Laboratory information systems (LIS) and digital pathology systems are of ever-growing importance in today’s healthcare landscape, especially with the push towards personalized medicine.

The scope of what hospital laboratories are offering (with the help of LIS technology) also continues to grow. From genetic and molecular testing to digital pathology systems, labs are more complex and contain more patient data than ever before.

Due to the above factors, along with the aging population and the continued rise of chronic diseases, the global LIS market is expected to reach $1.1 billion by 2019\(^1\). The global digital pathology market will reach $5.6 billion by 2020\(^2\). ReactionData’s latest research takes a look at the current state of the LIS and digital pathology markets, and where providers plan to go in the future.

According to more than 350 providers from the front line of clinical laboratories, molecular and genetic testing are on the rise, providers are looking for more functionality and service from their LIS vendors, and higher-volume labs are looking for a partner in digital pathology. What improvements are they looking for in LIS solutions? Who has the greatest share of the market, and which vendors are top of mind as replacements for current solutions in both LIS and digital pathology? All of this and more is covered in this report.


KEY FINDINGS

The field of molecular and genetic testing offers incredible diagnostic insights for physicians and other professionals in pharmaceuticals and life sciences. Many organizations recognize these benefits and have increased their requests for such tests. This is especially true in very busy labs (high test volumes).

Is there an increase in requests for genetic and molecular testing?

- Yes, for both: 47%
- Molecular, not genetic: 27%
- Genetic, not molecular: 10%
- No, for both: 15%
Enterprise EHR vendors rule in LIS market share, specifically MEDITECH, Cerner, and Evident (CPSI). However, the market is somewhat fragmented with a variety of other vendors being used, including best of breed vendors such as Sunquest and SCC.

LIS Market Share Leaders - Overall

- **MEDITECH**: 25%
- **CERNER (SIEMENS)**: 22%
- **EVIDENT (CPSI)**: 11%
- **SUNQUEST**: 10%
- **EPIC**: 7%
- **MCKESSON**: 6%
- **SCC**: 6%
- **MEDHOST**: 4%
- **ORCHARD**: 2%
- **HEALTHLAND**: 2%
- **NEXTGEN**: 1%
- **GE**: 1%
- **OTHER ***: 3%

*Other includes: Agfa, aspyra, Compugroup (LabDAQ), Genesys, Lab Soft, Medsoft, Merge, Novius, Qmed, Softlab, and Technidata TD Synergy
Mind share leadership is consolidated toward fewer vendors. Enterprise vendor Epic is top of mind, along with market share leaders Cerner and MEDITECH. Orchard, a best of breed vendor with scant market share has a relatively strong mind share presence.

LIS Mind Share Leaders - Overall

- **EPIC** 33%
- **CERNER (SIEMENS)** 30%
- **ORCHARD** 16%
- **MEDITECH** 16%
- **SCC** 11%
- **MCKESSON** 10%
- **SUNQUEST** 8%
- **OTHER*** 4%

*Other includes: Evident (CPSI), GE, Healthland
A large portion of providers in this study (51%), reported that they plan to move away from their current LIS vendor. Some are planning to adopt their core EHR vendor’s offering, while others are looking at vendors like Orchard and SCC.

Providers are also lukewarm about recommending their current vendors. Overall the average score across all vendors in this study was 5.2 (on a scale of 0-10, 10 being most likely). Generally, those in larger facilities were more likely to recommend their vendor. In-depth analysis of vendor recommendation ratings are included in the premium report.
When providers were asked what vendors could do to retain their contracts, two responses rose to the top—improve functionality and offer better support. Those who asked for better functionality specifically wanted workflow improvements, and less clicks to complete tasks. Providers who ask for better support are often frustrated with slow vendor response times to solution issues. In addition, many providers are unhappy with the pricing models of their current solutions. In the end, many other providers suggest the decision to switch vendors is made elsewhere, meaning mandates are coming from the health system or hospital executives without input from the labs. In-depth analysis of what vendors can do to keep their current customers from switching is included in the premium report.

What can LIS vendors do to keep clients?

<table>
<thead>
<tr>
<th>Feature</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Functionality</td>
<td>18%</td>
</tr>
<tr>
<td>Better Support</td>
<td>18%</td>
</tr>
<tr>
<td>Lower Cost</td>
<td>11%</td>
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<tr>
<td>More Upgrades/Updates</td>
<td>9%</td>
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<tr>
<td>More User-Friendly</td>
<td>7%</td>
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<tr>
<td>More Training</td>
<td>6%</td>
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<tr>
<td>Better Reports</td>
<td>5%</td>
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<tr>
<td>Integration/Interfacing</td>
<td>5%</td>
</tr>
<tr>
<td>Decision Made Elsewhere</td>
<td>16%</td>
</tr>
<tr>
<td>Nothing</td>
<td>7%</td>
</tr>
</tbody>
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Digital pathology is in the cards for nearly 35% of hospitals within the next three years, which suggests this market is about to finally take off after many years of promise. About half of providers say they will never adopt digital pathology, but most of those indicate it’s because they don’t offer pathology on-site. Those who plan to adopt this technology are looking at a variety of vendors. At present, Leica has established itself as the mind share leader with Ventana close on its heels, but the field is still wide open with a quarter of providers unsure who they will choose.

Digital Pathology Mind Share Leaders - Overall

- **LEICA** 44%
- **VENTANA** 39%
- **PHILIPS** 27%
- **OMNYX** 25%
- **SECTRA** 6%
- **OTHER** 2%
- **UNSURE** 25%

*Other includes: Nikon and Siemens*
WHY WE RELEASE OUR RESEARCH TO THE HEALTHCARE COMMUNITY?

Does your organization budget money each year for market research initiatives, reports or tools that typically provide little or no ROI? Unfortunately, the market research industry has operated for so long on very outdated and flawed methodologies that businesses rarely use the terms “market research” and “ROI” in the same sentence. We’re on a “mission of mercy” to show what effective business research should look like and our free industry reports are the wakeup call.

Businesses today are sandwiched between handing control of research projects to slow, outdated firms or conducting their own research through the use of survey tools. Both options are recipes for underwhelming performance and depressingly low expectations. So why do organizations keep conducting business research? Because getting intel is that important. You’ve heard the saying, “Some data is better than no data?”

With that, we give you Reaction, the world’s first Research as a Service (RaaS) platform designed for use within your business. That’s right, we are not a market research firm and please don’t ever call us one. At its core, we designed Reaction to make ROI the focus of all business research you conduct with your customers, prospective customers or the market at large. Because of our user network of more than 250,000 healthcare providers and our methodology of best practices, Reaction is blazing fast, elicits an incredible response from any healthcare provider audience and creates direct opportunities to generate new business…some people call that lead generation.

When we let Reaction out of its cage, we couldn’t let our clients have all the fun. So, we use Reaction to gather super salient data in days, not months on a host of healthcare topics to show the market what business research should look like. The takeaway? Demand much more from your market research budget. To find more contact Jeremy Bikman at jeremy.bikman@reactiondata.com or visit us at www.reactiondata.com.