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# Providing National Care

From buying and selling hospitals in New York to running an extensive network of pathology laboratories throughout New South Wales and the Australian Capital Territory, Ian Kadish brings a wealth of knowledge and experience to Laverty Pathology.

Images by Scott Ehler

**D**r Ian Kadish, CEO of Laverty Pathology, has enjoyed a successful career within healthcare across numerous countries and capacities. He sat down with *The CEO Magazine* to discuss his journey and the changing landscape of Australia's healthcare industry.

**The CEO Magazine: Can you give our readers an overview of your professional background?**

**Ian:** I graduated from medical school in South Africa, worked as a general practitioner in Johannesburg, and then moved to the US to do an MBA at the Wharton School at the University of Pennsylvania. After graduation, I moved to New York City, where I worked for CSC Healthcare, and then for McKinsey and Company. I lived in New York for nine years working as a consultant to the healthcare industry, buying and selling hospitals, and consulting to large hospital groups and health insurance companies.

I moved back to South Africa in 1997, and was one of the founders

of a hospital group called Netcare. We grew the business from five small South African hospitals to one of the largest private hospital providers in the world, with 62 hospitals in South Africa and 39 in the United Kingdom. I sold out of Netcare in 2006 and moved to Australia later that year.

**What drove you to move to Australia?**

It's a great country, with excellent-quality healthcare systems that present significant opportunities to make a real difference. I've worked in four different healthcare systems: the US, South Africa, the UK, and Australia. Australia's blend of public and private healthcare is unique and unparalleled, and probably provides the best balance there is.

I initially worked in Australia as the chief executive of a private-equity-owned company called Pacific Nursing Solutions. I bought equity in the company, broadened its focus beyond nursing, and changed its name to Healthcare Australia [HCA]. We opened

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offices in every capital city in Australia, and became the largest provider of nursing services and private home care in the country. I sold my equity in HCA in 2008 and bought into the Pulse Health Group, becoming their CEO in 2009. Pulse is a small ASX-listed hospital company, with five private hospitals in New South Wales and Queensland. I planned to grow Pulse the same way as we had grown Netcare, but it was a lot harder accessing capital in the post-GFC world. So when I received a phone call from a fellow Wharton alum, James Bateman, outlining the opportunity at Laverty Pathology, I agreed to talk to the Pulse board about a transition plan.

**How has your background in medical practice and business helped you in your current role?**

My background is a unique blend of medicine and business. I think the perspective that I bring from my general medicine training has been useful to take to the boardroom. At Laverty Pathology, our customers are referring doctors. We provide specialist >







diagnostic services and advice to GPs and specialists throughout metropolitan, regional, and rural New South Wales and the Australian Capital Territory. We serve more than 15,000 patients a day, every day, which is a little different to when I started out as a GP seeing maybe 40 or 50 patients on a busy day. I passionately believe now, as I did when I first started out, that good medicine is good business. And that's really the maxim that I work and manage by.

The coalface for us is the doctor-patient relationship. It is the doctor who is our customer, and it is the doctor that we partner with to provide the best-possible patient care that we can to patients. In terms of my background as a GP, I am now in a position where I can assist doctors across the state to provide the best care to the thousands of patients we serve each day.

**What changes to the industry have you seen since taking the top office at Lavery Pathology?**

I received the call from James in July 2010, the month that the pathology industry was

deregulated. The industry has since been through a tumultuous time. Previously, Australian pathology had been a very regulated industry, where there was a strictly enforced limit on the number of licensed patient specimen-collection centres you could open, and new licences were very hard to come by.

The government, with the stroke of a pen in 2010, opened up the industry and deregulated it, allowing anybody who could demonstrate that they were able to provide a quality pathology service to open up collection centres wherever they wanted, as long as those collection centres met the required standards of quality and care. I'm a passionate believer in free enterprise and capitalism, so this perfectly fit my own philosophy.

For us at Lavery, the opportunities were immense; we grew from about 200 collection centres prior to deregulation to the nearly 500 collection centres that we have across the state today. These collection centres are the interface where we serve our patients. In the past three years, we have grown this interface

several-fold, greatly improving patient access and convenience.

Prior to deregulation, patients had to present themselves to centralised collection centres which were not always convenient to the patient or doctor. Patients would have to travel to these collection centres and line up for the care they would get. Today, the collection centres are situated in or close to doctors' offices with maximum convenience for patients. From a quality-of-care perspective, and service, the change has been unparalleled.

**How has deregulation changed the face of your business?**

Deregulation has significantly increased patient care and access in metro and regional areas. Today, more than 88 per cent of Australia's population has a collection centre in the postcode in which they live, compared to 78 per cent prior to deregulation. Importantly, 223 more regional and remote postcodes have accredited collection centres. Almost 50 per cent of Lavery's business is now derived from regional and rural areas of New South Wales and the Australian Capital Territory.

Patient affordability has significantly improved. Pathology bulk-billing rates are at an all-time high, with more than 87 per cent of patients bulk-billed, compared to 78 per cent prior to deregulation.

Industry distortions have also been removed, with pathology providers now competing openly on value for services to the doctor and patient.

At the end of the day, it is all about the patients and their treating doctors. We see a similar opportunity to assist with improving the efficiency and effectiveness of pathology services in the public hospital system. We have seen in many public hospitals where we have been commissioned to provide the pathology service that we have

been able to generate significant service improvements as well as significant efficiencies and cost savings. This enables government to redirect those savings to more frontline patient care. The winners are the patient, the treating doctor, and the taxpayer.

**How does Lavery Pathology utilise the network and support of Primary Health Care?**

We have access to Primary Health Care's systems and infrastructure, and also to the resources of the larger company. In addition to pathology, Primary Health Care operates medical centres, imaging, and IT businesses. Lavery operates independently, but we have a close working relationship with the other divisions of the company and are able to offer a comprehensive, integrated patient service.

**What role does training and education play in Lavery Pathology?**

Lavery is invested in teaching, training, and research. Simply by virtue of our size—we have 1,800 employees, and we need to teach and train hundreds of new recruits every year—our organisation is the largest private provider of training to specialist pathologist registrars and accredited continuing professional-development courses for doctors.

Primary Health Care owns its own registered training organisation, the Primary Training Institute, which currently trains more than 500 phlebotomists [pathology collectors] every year to certificate-grade level. We currently offer the course to our own employees, but, from 2014, we will offer the course to the public as well.

Training is a key component of our business model. We would not be able to have grown as fast as we have without the ability to internally train and qualify such skills-specific staff. We use our training program to not only teach and train the technical skills required but also as an

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opportunity to expose new employees to Lavery's systems, people, and culture. I usually meet with our new employees over a pizza lunch on the last Friday of their training course. It's a wonderful, informal opportunity to get to know Lavery's new employees as they embark on their careers with us.

**What does the future hold for Lavery Pathology?**

Lavery's mission is to provide better insights into the health of more Australians. As healthcare systems evolve and technology improves, we will increasingly be able to offer better, faster, and deeper insights into patient care. New molecular technologies and the increased use and application of big-data management systems will provide us with an unprecedented ability to assist and partner doctors in their provision of optimal patient care. Pathology is already the linchpin for more than 70 per cent of all medical diagnoses.

Coupled with Australia's demographics, an ageing population, and better-informed patients, the demand for better health insights will continue to grow. As the country's leading pathology provider, Lavery is committed to being at the forefront of this growth. •







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***“The provision of high-quality, cost-effective pathology services is dependent on economies of scale. Siemens’ laboratory automation systems greatly assist Lavery in doing this.”***

Dr Ian Kadish, CEO, Lavery Pathology

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Siemens provides a wide range of pathology products that enable high-quality testing. Our customers consistently achieve better quantifiable clinical results whilst benefitting from the highest productivity gains. Our capabilities span the servicing of remote and rural settings, all the way to providing innovative automated solutions for large hospital laboratories and the largest reference laboratories like Lavery Pathology.

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