

inside the diagnostics industry

With Focus on Clinical Toxicology and Forensic Testing, NMS Labs Succeeds as a 'Lab's Lab'

Now in its 40th year, NMS Labs (Willow Grove, Pa.) is a national reference laboratory that focuses on clinical toxicology and forensic testing. NMS has annual revenue of approximately \$35 million and 210 employees. Clients range from regional laboratories to law enforcement agencies, but "We're really a lab's lab," says NMS Labs President and CEO Eric F. Rieders, Ph.D. NMS provides testing that other labs, including all of the major clinical reference labs, don't or can't provide. "We complement their toxicology menus," explained Rieders. "We've looked on their Web sites to figure out what percentage of testing in our category actually ends up coming here in terms of the actual analyses, and it's a fairly large percentage in many cases—over 50 percent. But these are low-volume tests that aren't really beneficial to the large labs to actually set up." As client labs choose to bring certain tests in-house as their volumes grow, NMS maintains its growth through innovation and a commitment to service. *DTTR* recently spoke with Rieders about what's new and what's next at NMS.



Eric F. Rieders, Ph.D.

How large is the NMS test menu?

Our lifeblood is to be able to offer testing that others don't have, and that means that we've always produced lots of new tests, some of which become a little more important than others with regard to the volume that comes in here. But we keep the low-volume tests on our menu, so I think right now we probably have 3,500 tests on our menu. Many of them are very low-volume.

Give the focus on toxicology, how did you come to add endocrinology tests to your offerings?

We added clinical endocrinology testing to our menu a couple of years ago, largely because of the fact that in our mind, the appropriate technology for performing this testing is tandem mass spectrometry, and we've become rather expert in that technology through the work that we do in toxicology.

Do reference labs constitute the majority of your clients?

A little of over 50 percent of what we do is clinical, and the balance is largely forensic, so our forensic client base is huge. On the clinical side, the majority of work does come from clinical reference laboratories. We work with some smaller ones that are a little more local, but the majority of the work comes from the national and regional reference laboratories.

What are some your growth initiatives on the clinical side?

Our key initiative on the clinical side is to continue to bring up innovative new tests that we believe the market can make good use of. The clinical world is shrinking in the sense of the number of labs that are out there is shrinking, through consolidation, so the number of clients that we can actually serve through our model is not as great as it was even five years ago. So it's been an ongoing interest of ours to maintain those relationships, but our key initiative around that has been to make sure that our service levels are really meeting and exceeding the expectations of the client base that we have. Included in that is to continue to really be aggressive about bringing new tests to market.

Looking at NMS's current offerings, what would you consider some of the top tests, those that are driving growth or for which you're seeing a strong demand?

A good example is pain management testing. We didn't explicitly pursue that area, but a lot of

the testing we provide supports that market. We do both the type of testing that you need to do to monitor compliance, which would be urine testing, as well as what we think is very important, therapeutic drug monitoring. The pain management marketplace is rather large, and we've remained the lab that has had testing available that eventually those labs will bring in-house.

Another market where initially we would have the tests available that would probably eventually be insourced by the major reference labs are tests that neurologists use. For example, anti-convulsant testing—therapeutic drug monitoring—is usually considered to be rather important. Last year, we brought up three new anti-convulsant tests [that use high-performance liquid chromatography] in fairly short order.

NMS is one of the few laboratories that offers testing for endocrine-disrupting chemicals, such as bisphenol A (BPA). Do you see this as a strong growth area?

It's an area that we're very interested in right now—and I won't tell you that the volumes are high, but we think that certainly there should be some interest out in the world these days. With all of the news about things like bisphenol A and thalates and so forth, we think that the tests that we have available may prove useful in assisting both researchers and potentially clinicians in addressing concerns that the general public is inevitably going to have.

Are you seeing a strong response to your recently launched BPA test?

We have not yet seen a strong response to it. Typically, we have seen that the adoption of testing by our clients is becoming more rapid, but frankly, I think some of that has to do with us doing a better job of communicating what tests we have rather than letting people figure out for themselves that we do it. We're proactively reaching out now. We've been in business for 40 years, but we haven't had a marketing department for anywhere near that amount of time. I think it's been about five years now.

Looking ahead, what tests are you looking forward to launching?

One area that I probably should have mentioned sooner is pharmacogenomics, which fits into what we're all about. Like a few other businesses, we were rather excited that testing in connection with warfarin therapy might be the first to bring pharmacogenomics into routine use. That turned out not to be the case, but we continue to look at those types of tests. I would say that we're monitoring both the science and the marketplace to try to decide whether this is something that we should be involved with. We did bring up the relevant testing two years ago, but we haven't even bothered to offer it, because there's simply no demand for it.

In the area of endocrinology, there's sort of a core offering that one needs to have to call oneself a clinical endocrinology service, but we're looking at some of the less available types of tests that we believe are relevant in endocrinology. Primarily this has come to us through contacts we've had through the research community as opposed to with physicians who are demanding something that isn't otherwise available. Some of the less widely tested endocrine steroids are on our menu. We're looking at endocrine peptides, which are currently not widely tested for.

We're also continuing to look at what new drugs are coming to the marketplace. As a toxicology laboratory, we think it's our mission to be as responsive as we possibly can to bringing tests for drugs as they're approved, both in terms of the therapeutic drug monitoring and compliance monitoring, or in some cases, abuse monitoring. 🏛️