

# Reference Lab vs. In-House When to Send Out When to Bring In

A cost comparison framework for make-vs-buy decisions

Article 21 of 22

5-minute read

## 6 Months

Review send-out log  
to spot opportunities

## Break-Even

Key metric for  
bring-in-house decisions

## Hybrid

Most successful labs  
use a mixed model

*Every test you send to a reference lab is revenue you are sharing or losing. But not every test makes sense to bring in-house. The decision should be based on clear financial and operational criteria, not gut feeling.*

## 1 When Sending Out Makes Sense

Volume too low to justify investment. Total in-house cost per test exceeds reference lab price. Test requires expertise or technology you lack. Reimbursement is uncertain or declining.

## 2 When Bringing In-House Makes Sense

Consistent volume meeting break-even threshold. TAT is critical and reference lab cannot meet needs. Attractive margin between in-house cost and reimbursement. Competitive differentiation.

## 3 The Hybrid Approach

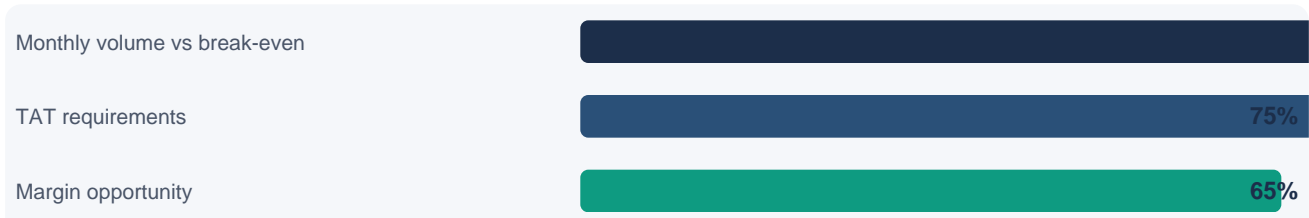
Run high-volume, high-margin tests in-house. Send out low-volume specialty tests. Periodically review send-out log to identify tests that have grown enough to justify bringing in.

**QUICK TIP:** Review your send-out log every 6 months for volume changes.

## 4 Evaluating Reference Lab Partners

Evaluate on TAT, pricing transparency, result accessibility, courier logistics, and customer service. Negotiate volume-based tiered pricing. Always have a backup for critical tests.

### SEND-OUT vs IN-HOUSE DECISION FACTORS



Staff expertise available



50%

Competitive positioning



40%

*Key decision factors ranked by importance*

**BOTTOM LINE:** Pull your send-out log for the past six months. Identify the top 10 tests by volume. Run a break-even analysis on each. You will likely find two or three ready to bring in-house.

## FREE TOOLS TO GET STARTED

Template	What It Does
<a href="#">Send-Out vs In-House Evaluator</a>	Compare costs side-by-side with auto payback calculation

### Download the complete JIT4LABS Templates Toolkit

23 ready-to-use Excel templates covering inventory, financials, compliance, and more.

Visit: [jit4you.myshopify.com/resources](https://jit4you.myshopify.com/resources)

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