

LABORATORY INDUSTRY REPORT®

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Injunction in Hand, Industry Focuses on Repealing Competitive Bidding Demo

Lab industry stakeholders expressed relief at the recent preliminary injunction against the Medicare competitive bidding demonstration project in San Diego, although warning that the fight now must continue to pass legislation to repeal the project.

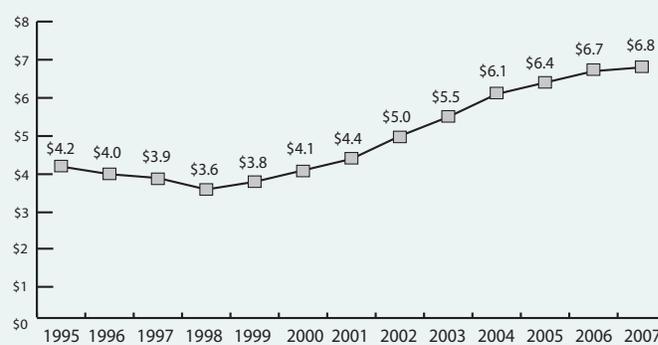
The April injunction was a “welcome first step to put the brakes on the demonstration program,” said Sen. Pat Roberts (R-Kan.) at the recent American Clinical Laboratory Association annual meeting. There is also a pending House bill—H.R. 3453, which was introduced by Rep. Nydia Velázquez, who is expected to call for a hearing on the legislation.

In the meantime, the Centers for Medicare & Medicaid Services (CMS) has 60 days from the date of the decision to file an appeal. “We are disappointed by the Court’s injunction because we believe we followed Congress’s direction in implementing the laboratory competitive bidding demonstration that was created to determine whether competitive bidding can be used to provide laboratory services while maintaining value, quality, and access to care,” said agency spokesperson. For more, read “*Inside the Lab Industry*,” pp. 5-6.

Medicare Part B Lab Spending Inches Up 1.6% to \$6.8B

Medicare Part B spending on clinical laboratory services continues to move upward, with 2007 spending totaling \$6.8 billion, an increase of 1.6 percent from 2006 totals, according to the latest data from Centers for Medicare & Medicaid Services’s 2008 Medicare Trustees Report.

Part B Spending on Clinical Lab Services (1995-2007)



Source: Washington G-2, 2007 Medicare Trustees Report

care Trustees Report.

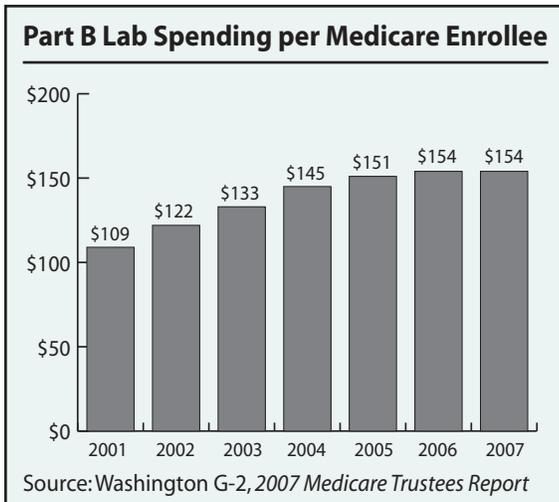
This increase is, however, less of an increase than seen in 2006, when Part B lab spending increased 3.7 percent over 2005 totals.

Cont., on p. 2



Medicare Part B Spending, from page 1

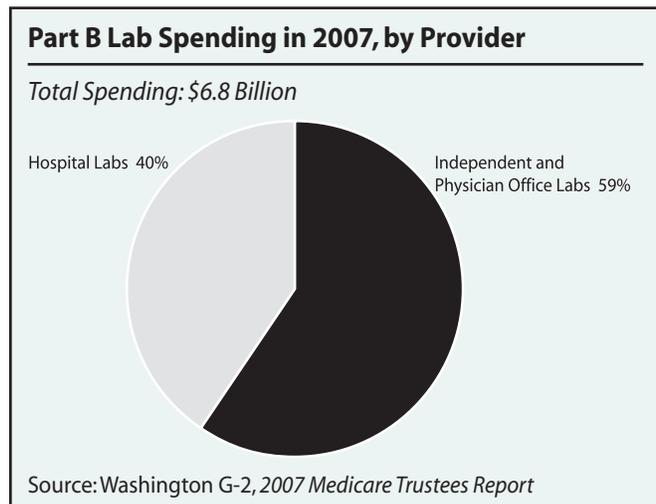
From 2002 to 2007, Part B lab spending increased at an average rate of 8 percent per year. Over the same period, total Medicare Part B spending rose by 9.6 percent per year to reach \$169.7 billion, or 1.3 percent of the gross domestic product (GDP). It is expected to reach \$183.9 billion this year and projected to grow to about 4.1 percent of GDP by 2082. Meanwhile, total Medicare program expenditures increased by 5.9 percent to reach \$432 billion in 2007, as compared with \$408 billion in 2006.



The Medicare program covered a total of 44.1 million enrollees in 2007. Underlying health care costs per enrollee are projected to rise faster than the wages per worker do. As a result, while Medicare's annual costs were 3.2 percent of GDP in 2007, they are projected to surpass Social Security expenditures in 2028 and exceed 10 percent of GDP in 2082. Over the past seven years, annual Part B lab spending per enrollee has increased by an average of 6 percent per year to reach

\$154. Assuming an average billable test of \$15 equates to average utilization of 10 tests per year per Medicare recipient ($\$154 / \$15 = 10$ tests/year).

Intermediary labs (i.e., hospital labs) provided \$4 billion of Part B lab services in 2007, accounting for 59 percent of the total \$6.8 billion spending. Carrier labs (i.e., independent labs and physician office labs) accounted for \$2.74 billion, or 40 percent of the total. Compared to the 2006 analysis, the hospital labs' share of total lab spending is down approximately 4 percent relative to carrier labs.



Although the report projects an average annual growth rate of 6.2 percent in Part B costs over the next 10 years, it notes that this rate is unrealistically constrained due to multiple years of physician fee reductions that would occur under current

law, including a planned reduction of 10.1 percent scheduled for the second half of 2008. If Congress continues to override these reductions, as they have from 2003 through the first half of 2008, the Part B growth rate would instead average approximately 8 percent. "Actual future Part B costs will depend on the steps Congress takes to address the situation but could exceed the current-law projections by 7 to 8 percent in 2010 and by roughly 10 to 20 percent for 2030 and later," stated the *Trustees Report*. 🏛️



Future of Carilion Labs in Question

Rumors continue to indicate that Roanoke, Virginia-based Carilion Labs is going on the market, with Quest Diagnostics, LabCorp, Sonic Healthcare USA, and Laboratory Partners all reportedly bidding for the business. So far, officials declined to comment specifically on the potential sale, except to say that there is no current budget for acquisitions. “The original capital allocated for acquisitions has been spent or committed,” said Eric Earnhart, spokesman for Carilion Clinic, the health system that owns the laboratory. “In light of this and the company’s current point of maturation, Carilion hired Wachovia to explore all of its strategic options and advise on how best to proceed with the Lab. No definitive decisions have been made.”

Carilion has approximately 450 full-time employees with operations throughout Virginia, Tennessee, and North and South Carolina. Last year, Carilion’s revenue totaled \$79.1 million, and company CEO Bud Thompson told *LIR* in February that 2008 revenues were expected to total approximately \$114 million. This year’s revenues are expected to be boosted by the acquisition of Innovative Pathology Services, an anatomic pathology and cytology lab in Knoxville, Tennessee. 🏛️

AmeriPath Helps Boost Quest’s Q1 Revenues Up 16.9% to \$1.8B Over Prior Year

For the first quarter of 2008, Quest Diagnostics pulled in \$1.8 billion, which is up almost 17 percent over the first quarter of 2007. Clinical testing revenue—which account for 90 percent of the company’s total revenues—was up 17 percent compared to the previous year, with AmeriPath contributing 14 percent to this increase. Net income totaled almost \$140 million, up 32 percent from \$105.9 million a year ago.

In addition to bolstering total revenue, the AmeriPath business helped boost the revenue per requisition. Of the 10.8 percent increase in revenue per requisition, 7.8 percent was from AmeriPath business. The 3 percent difference—compared to 5.4 percent in the fourth quarter of 2008—is partially offset by price reductions in various health plan contracts effective January 1, explained company CFO Robert Hagemann. “All of our large health plan contracts have been negotiated for multiple multiyear periods, so we think there is more stability in pricing compared to a year ago,” he added.

However, Quest continues to feel the impact of the loss of United Healthcare contract, with the volume growth down 1.6 percent and revenue per requisition

growth down .4 percent, compared to last year. Hagemann said that the first quarter saw a positive impact to the year-over-year revenue per requisition comparison of about 0.5 percent due to higher reimbursement on the retained United Healthcare work, which brings *Cont., on p. 9*

Impact on Comparisons to Prior Year

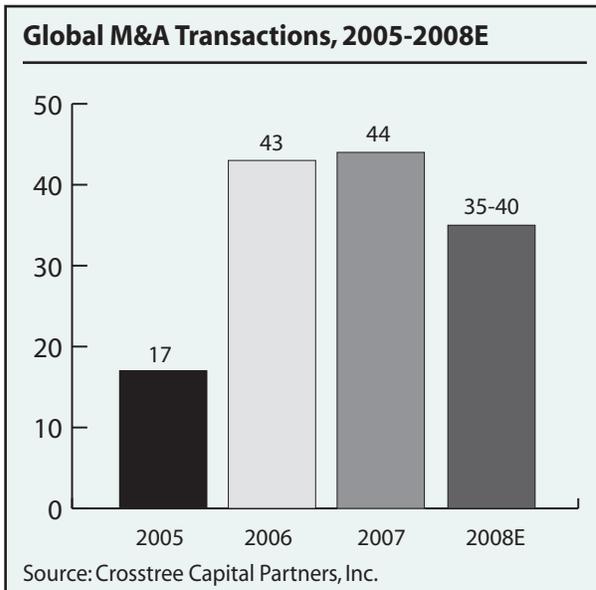
	Consolidated Revenue Growth	Volume Growth	Revenue per Requisition Growth
Impact of contract change	-0.8%	-1.6%	0.4%
AmeriPath acquisition	13	5.8	7.8
Drugs of abuse testing	-0.1	-0.8	0.6



Global Lab M&A Market Totaled \$38M in Q1 2008

The global mergers and acquisitions (M&A) market for labs is off to a strong start in 2008. “Over the past few years, we’ve typically seen four to seven M&A transactions during the first quarter, and the first quarter of 2008 has had seven—four clinical chemistry and three esoteric testing focused transactions

valued at nearly \$38 million,” said Michael Guerrero of Crosstree Capital Partners Inc. (Tampa, Fla.). “The amount of activity seems to be on track for another 30 to 40 transactions for the year despite the current economic climate.”



The biggest acquisitions thus far in 2008 include Sonic Healthcare’s (Australia) purchase of American Clinical Services Inc. (Lyndhurst, N.J.) for \$26 million. Guerrero also noted that in early March, private equity firms Kleiner, Perkins, Caufield & Byers (Menlo Park, Calif.), Versant Ventures (Menlo Park), and Texas Pacific Group Growth (Ft. Worth, Tex.) invested \$11.9 million in cancer diagnostic startup Calderome Inc., (Menlo Park), which he considers an

acquisition. Also of note, although not included in the M&A volume and valuation, is the \$16 million investment into Laboratory Partners Inc. (Louisville, Ky.) by its private equity firm owners Chrysalis Ventures Inc. (Cincinnati) and Fort Washington Capital Partners Group (Cincinnati), according to Crosstree’s data.

Rosy Outlook for Health Care Sector

While the current credit crisis is likely to hinder M&A activity in various sectors of the U.S. economy, health care industries—and particularly the clinical laboratory sector—will continue to be strong this year, say many lab insiders.

Despite everything going on in the capital markets and the volatility in the stock market, the smaller transactions, meaning those under \$500 million, as opposed to \$5 billion or \$20 billion transactions, have been impacted much less, according to Eric Coburn, a principal with Shattuck Hammond Partners (New York, NY), a firm that has announced or completed 12 health care M&As over the past six months, with a combined value of approximately \$2.1 billion. “There is financing available for the smaller deals and from a private equity perspective are willing to put in more equity than they typically would with the thought that when the markets soften up a bit, then they will refinance it out,” he explained.

In terms of lab M&A activity, Coburn agrees that the market remains strong. “We are seeing both strategic buyers who want to acquire businesses, as well as a variety of private equity firms that do not have investments in the space but laboratories are high on their radar screen,” he added. 🏠

Lab Industry Celebrates Temporary Injunction as Fight Continues to Repeal Competitive Bidding Demo

Lab industry leaders are applauding a San Diego district court judge's recent decision to temporarily halt the Centers for Medicare & Medicaid Services' (CMS) competitive bidding demonstration project. Of key importance is the presiding judge's support of the plaintiff's complaints that the demonstration would cause irreparable harm to both laboratories and Medicare beneficiaries in the San Diego metropolitan statistical area (MSA), said Alan Mertz, president of the American Clinical Laboratory Association (ACLA) at the organization's annual meeting, held April 17-18 in Washington, D.C.

This ruling is in response to a motion filed by three area laboratories—Sharp Healthcare, Scripps Clinic, and Internist Laboratory—that are seeking to stop the CMS from implementing the project. The law suit is funded in large part by the lab industry's lobbying organization, American Clinical Laboratory Association (ACLA), as well as the nation's two largest providers of laboratory service—Quest Diagnostics (Madison, N.J.) and LabCorp (Burlington, N.C.).

But it's important that laboratorians understand that this injunction is temporary—not final, explained Mertz. "This has not stopped us in our drive to repeal competitive bidding," he said. "We think Congress needs to finish the job on this project."

To this end, ACLA hopes that the court ruling will boost its lobbying efforts already underway to get Congress to repeal the demonstration. Legislation to do that is pending in the House in a bill introduced by Rep. Nydia Velázquez (D-N.Y.), which currently has 40 bipartisan co-sponsors (H.R. 3453). Rep. Velázquez is expected to call for a hearing on the legislation and the impact of the competitive bidding demonstration project on laboratories before the House Small Business Committee, which she chairs.

Judge Supports Irreparable Harm Claims

In his April 8 decision, Judge Thomas J. Whalen sided with the three laboratory plaintiffs—Sharp Healthcare, Scripps Health, and Internist Laboratory—that the competitive bidding project would cause significant harm to both the laboratories and the Medicare beneficiaries. "Internist's contention that it will lose 65 percent of its business...constitutes irreparable harm," reads the decision. "Additionally, the harm to Sharp's and Scripps' integrated medical networks, with the attendant adverse consequences to patients, also constitutes harm that cannot be adequately compensated by an award of monetary damages." Scripps, which operates three laboratories and seven patient service centers in the San Diego region, estimates that it will lose a minimum of \$1.9 million in revenue if it is not a winning bidder in the demonstration project. While Sharp did not quantify its estimated losses in its claim, it did indicate that it would need to close down a significant portion of its outreach testing business if not chosen as a winning bidder.

Legislative Push Continues

Legislation to repeal the demonstration project is also pending in the Senate (S. 2099), in a bill that currently has nine bipartisan co-sponsors. One of the co-sponsors, Sen. Pat Roberts (R-Kan.), called the injunction an important first step to stop the demonstration program at the ACLA meeting. Sen. Roberts went on to say that he has seen the harm that CMS demonstration projects have had on the marketplace, given that Kansas City is one of the locations of the ongoing durable medical equipment (DME) demonstration. “I have seen first hand the impact of these projects, and I have pledged that this would not happen to laboratories,” he said, adding that in Kansas City, 60 percent of DME providers were eliminated from the project.

“I have seen first hand the impact of these [demonstration] projects and I have pledged that this would not happen to laboratories”

*—Sen. Pat Roberts (R-Kan.),
co-sponsor of S. 2099.*

Supporters of the legislation hope that repeal language from these bills is included in the Medicare legislation, which is currently in the hands of the Senate and is expected to be ready in draft form for review by the House in mid-May, explained Debbie Curtis, chief of staff for Congressman Pete Stark (D-Calif.), who is chair of the Ways and Means Health Subcommittee. She told ACLA members that the most important element of the Medicare budget will be the physician fee fix, which will expire by law as of June 30, with a 10.6 percent cut scheduled to start on July 1 unless Congress intervenes. The Senate is looking at spending \$8.4 billion to implement the fee fix, which would be a zero percent update. Given this potential cost, if it appears that the competitive bidding lawsuit is still tied up in a lawsuit, then the Senate won’t likely act on the repeal issue, according to Curtis.

Moving forward, the plaintiffs are awaiting the response from CMS following the April 8 order, explained Patric Hooper, the attorney from Hooper, Lundy & Bookman Inc., who is representing the three laboratory plaintiffs. The agency has to file a response to the order by May 8 or can appeal the decision within 60 days of the injunction order. 🏛️

Competitive Bidding Audio Conference

For more analysis on this developing issue, sign up for the **Washington G-2 Reports audio conference, “Court Halts Competitive Bidding Demo Start-Up: Ramifications & Outlook for the Lab Industry,”** on May 8.

Join Washington G-2 Reports as **Patric Hooper**, founding partner, Hooper, Lundy & Bookman Inc. and ACLA President **Alan Mertz** discuss this landmark legal ruling including its impact on future HHS efforts to implement lab bidding and ongoing industry initiatives to ax the project. The host and moderator will be **Dennis Weissman**, founder and executive editor, G-2 Reports and president, Dennis Weissman & Associates, LLC.

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Denver's National Jewish Medical Opens \$1 Million+ Molecular Dx Lab



Preveen
Ramamoorthy, Ph.D.

The National Jewish Medical and Research Center's new 3,000 foot molecular diagnostic laboratory is now up and running, with lab officials expecting to perform approximately 10,000 tests in 2008, primarily related to diagnosing respiratory and immune deficiency diseases.

While declining to comment specifically on the investment required to build the new facility, it's in excess of \$1 million, according to Preveen Ramamoorthy, Ph.D., director of the National Jewish Medical and Research Center's (NJMRC) molecular diagnostics laboratory. The initial test menu will primarily be tests for molecular infectious diseases, as well as pharmacogenetic tests. "Right now, we are offering mycoplasma and chlamydia testing by real time PCR [polymerase chain reaction]," he explained. "We are also planning on bringing up more complex tests, including a respiratory virus panel test in addition to a test for Methicillin-resistant *Staphylococcus aureus*, better known as MRSA."

This lab, which currently has 4.5 full-time employees (FTEs) in addition to Ramamoorthy, will also be introducing a cheaper warfarin dosing test, explained Peter Donahue, Ph.D., director of business development for the five clinical laboratories that make up NJMRC's Advanced Diagnostics Laboratories. "The National Jewish goals include expanding cardiology and lung cancer as two new specialties, and the hospital brought on a number of cardiologists who are clamoring for warfarin dosing," he explained. "This reveals a regional opportunity—at the right price. We think the price points for warfarin tests are set too high, and we think we can be competitive." While the price points right now are between \$340 and \$450, Donahue thinks his lab can do it for under \$300.

Marketing Challenge

The drive to open the NJMRC molecular diagnostics lab is twofold: the current lack of competition in the Denver area, as well as the ripe market potential for molecular diagnostics. This testing field is currently valued at \$4.1 billion and is expected to grow approximately 19 percent each year through 2010. Infectious disease testing—an area of focus for NJMRC—accounts for about half the molecular diagnostic testing market.

"The reference labs here in Colorado have for the most part been acquired," said Donahue. "Before now, we have not really positioned ourselves as a regional reference lab, even though that is really who we are, albeit with an overlay of national and international clients."

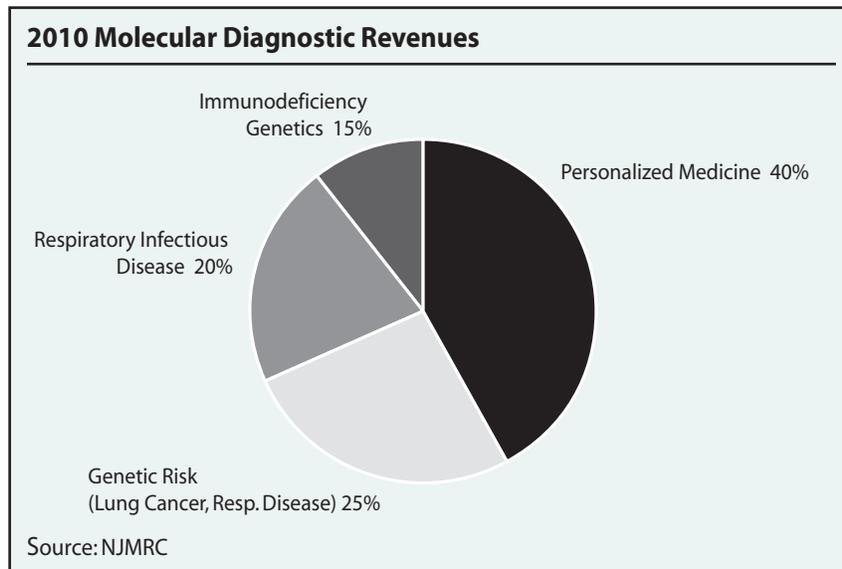
The challenge right now for the lab is marketing the molecular diagnostic menu, as well as the testing services in the other areas of NJMRC's Advanced Diagnostics Laboratory. There are five specialty labs—immunology, mycobacteriology, pharmacokinetics, complement, and the core laboratory. These laboratories have 75 FTEs, and the annual volume is between 400,000 and 450,000, split equally among the specialty labs, according to Donahue.

"It's not possible to market ourselves as a comprehensive referral lab, because we



don't have a full, comprehensive testing menu," he explained. "We need to find our specific target populations for specific specialty areas that we offer, so identifying the appropriate target customers is a challenge."

While Donahue declined to reveal annual revenue figures, he did say that for each of the past five years, the labs' growth rate has been between 20 percent and 25 percent, and is expected to continue to grow at this rate for the next three years. In



the molecular diagnostics lab, he predicts that a majority of the revenue will be from testing related to personalized medicine, such as warfarin sensitivity testing, followed by genetic risk

testing associated with lung cancer and respiratory disease and respiratory infectious disease.

In terms of growth of the molecular diagnostic lab, Ramamoorthy's focus is to create a revenue stream for the Advanced Diagnostic Laboratories, as well as to market new tests. "Creating revenue is a short-term goal, but the long-term goal for me is to really bring out innovative proprietary tests," he explained. "There are things that are happening in the discovery and basic research stage in the hospital that will funnel into molecular diagnostics, and then Peter will play an important role in determining which should be taken forward to the market."

As these new technologies emerge, Donahue said he will be especially attuned to molecular respiratory virus testing, which he believes has tremendous market potential. "We also believe that primary immunodeficiency diseases are tremendously under diagnosed," he explained. "It's a very diverse disease group, most of which boils down to genetic defects, and there is some 300,000 to 500,000 patients diagnosed with these diseases. Macular degeneration is another prevalent disease. I think there are about 9 million people over the age of 55 who are at high risk for developing macular degeneration, and a test that could stratify them into high risk and low risk because pre-emptive therapy also represents a big market." 🏠

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Pathologists Fight United Healthcare for Nonpayment in Class Action Suit

More than 51 pathology groups representing approximately 300 pathologists have been granted approval to seek a class action judgment against United Healthcare of Illinois for millions of dollars of damages relating to nonpayment, according to Greg Brodek, a partner at Duane Morris LLP, the law firm representing the plaintiffs.

The lead plaintiff, Associated Pathology Consultants, S.C. (APC; Naperville, Ill.), contends that beginning in July 2004, United Healthcare of Illinois unilaterally stopped paying for the professional component of clinical pathology work. "United contends that we do not have a role in the provision of those services, and that we are paid by the hospital for the provision of these services, which is factually inaccurate," said Richard Anderson, M.D., president of APC and the client representative. "There was not only no negotiation, there was no prior notification. One day we are getting paid for these services, and the next day we are not." While APC continues to provide services to United Healthcare patients, they have not been reimbursed for these services.

All attempts to contact United—by attorneys, APC, and related billing companies—have been unsuccessful. "What made this incredibly frustrating was that United took a national position that it would no longer pay for these services, period, end of discussion," said Brodek. Officials from United Healthcare did not respond to a request for comment on the pending suit.

Moving forward, there will be a hearing scheduled to decide the merits of the case. In the meantime, Brodek is working on quantifying the plaintiff's monetary damages. He currently estimates the shortfall damages to be in the 10s of millions of dollars. But in addition to recovering these payments, the plaintiffs are also seeking a judgment for United to restore the payment for the professional component. "We remain committed to achieving two goals, one, to recover those dollars that we will prove have been underpaid to the pathologists and secondly, to get a recognition of these payments going forward in some manner," said Brodek. 🏠

AmeriPath Helps Boost Quest's Q1 Revenues, *from page 3*

the year-over-year revenue impact of the contract change to about one percent. "Most of our volume impact was felt by the end of last year's fourth quarter, and there continues to be no significant change in the amount of United volume that we have retained, over 20 percent," said Hagemann. "We expect a more limited impact in future quarterly volume and revenue comparisons."

In terms of 2008, Hagemann reaffirmed the company's outlook—with revenue expected to grow by 9 percent and operating income as a percentage of revenue to approach 17 percent. He also commented that the slow economy is likely to impact Quest's pre-employment drug screening business, as well as the risk-assessment testing done under life insurance contracts. "There has been a significant decline—almost 10 percent—in pre-employment screening, which accounts for 7 percent of our total volumes," said Hagemann. "Given that this tends to be a very low-priced business, the impact on revenue and profits is generally limited." 🏠



Third Wave Teams With DCL Medical Labs for Molecular Dx Partnership

Indianapolis-based DCL Medical Laboratories has formed a strategic partnership with Third Wave Technologies (TWT; Madison, Wis.) under which DCL will serve as a product research partner with TWT.

As part of this partnership, TWT will establish a research laboratory at DCL, as well as a customer demonstration facility for emerging tests. TWT develops and markets molecular diagnostics reagents for nucleic acid analysis. “With over 20 years of archived tissue specimens and collective personnel experience in product research, development, and clinical trials, we believe this relationship with Third Wave extends DCL’s capabilities of an interventional anatomic pathology team combined with experienced development and clinical trial services that will substantially strengthen both companies, said DCL president and CEO Michael Hanbury, Ph.D.

Looking for Other Partners

Founded in 1984, DCL Medical Laboratories has expanded from a fine needle biopsy practice and cytology laboratory to a full-service regional laboratory with operations across the Midwest, including specialty testing in molecular diagnostics. DCL currently has approximately 200 full-time employees with headquarters and main reference laboratory located in Indianapolis and regional laboratory operations in St. Louis. DCL launched a clinical trial business in 1995, and it currently

comprises about 15 percent of the business, with the remaining business split evenly among anatomic and clinical pathology testing. The lab’s annual volume is approximately 1.5 million tests.

In October 2007, DCL completed an equity refinancing transaction Thompson Street Capital Partners in St. Louis. As a result, two industry veterans—Jack Bergstrom and Jay Tyler—joined the laboratory. Both were formerly with National Health Laboratories (now LabCorp) and formed

part of the leadership team of American Medical Laboratories (now a part of Quest Diagnostics). Bergstrom is chairman of the DCL board, while Tyler serves as operating officer focusing on finance and billing operations.

In addition to this agreement with TWT, DCL is also on the lookout for other partners. From the partnership angle, Hanbury describes DCL as a “laboratory with unique capabilities with specialized clinical trials capabilities, personnel with regulatory and product development experience, and a highly searchable archived specimen library that collectively form a terrific partner for IVD manufacturers,” explaining that in conjunction with its physician partners, the laboratory offers excellent product commercialization pathways through the reference lab. “With this partnership model, we believe our diagnostic partners may expedite product development through this relationship in that DCL’s collective expertise will allow us to fast forward the development of products emerging from life sciences into the commercial lab,” he added. 🏛️

DCL Medical Laboratories at a Glance

- ❑ Founded in 1984 as a fine needle biopsy clinic and cytology lab, DCL began offering full pathology and clinical laboratory services in 2003
- ❑ Locations: Indianapolis (headquarters), Collinsville, Ill. (serves St. Louis metro region)
- ❑ Expansion: building new 77,000 square foot lab in Indianapolis
- ❑ 200 FTEs, including 15 full-time pathologists
- ❑ Annual volume: 1.5 million tests



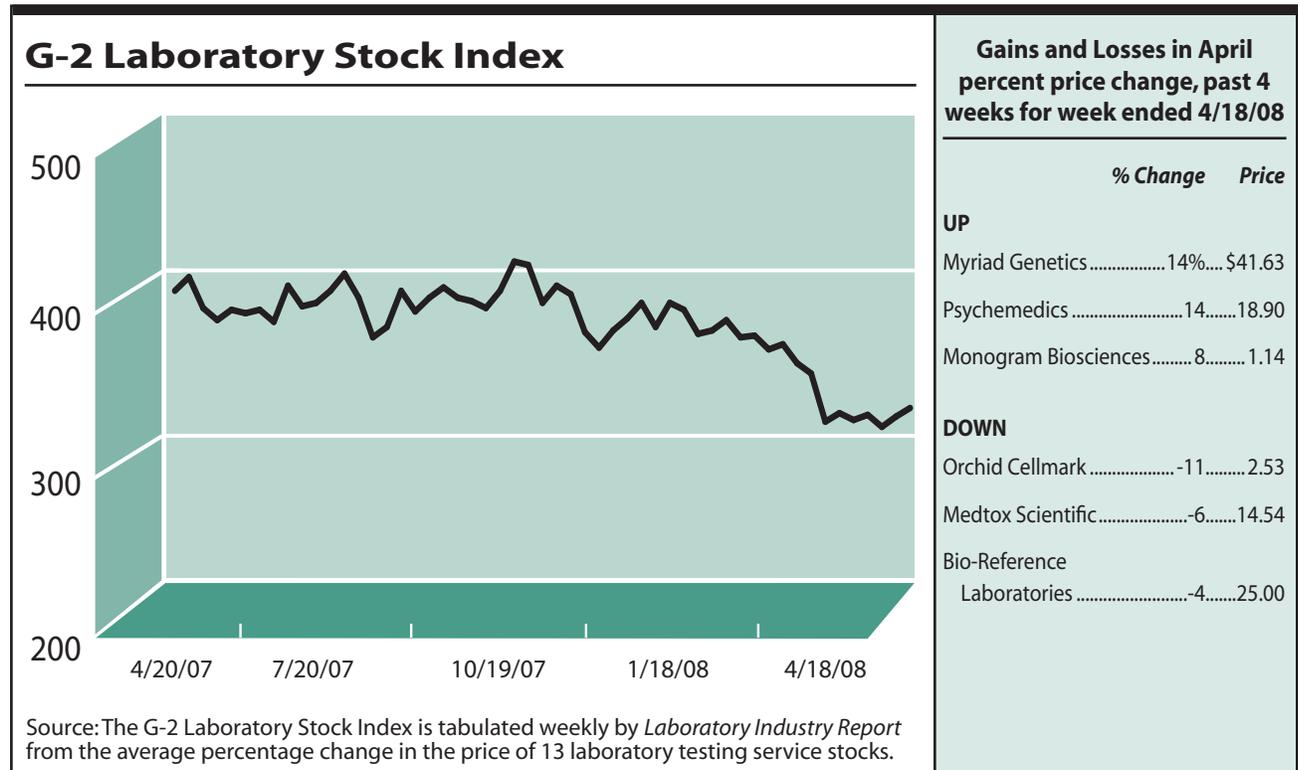
Lab Stocks Post Slight Rebound in April; Index Up 1% Over 5 Weeks

With an increase of one percent over the past five weeks for the week ended April 18, 2008, the G-2 Laboratory Stock Index rebounded slightly after months of posting losses. But the economic downturn continues to impact the Nasdaq and the S&P 500 this year, although both are down less than they were in March. The Nasdaq is down 10.15 percent and the S&P 500 is down 5.96 percent so far in 2008.

Over the past four weeks, some of the lab stocks have posted significant gains. **Myriad Genetics** (Salt Lake City), a molecular diagnostics testing company focusing on hereditary cancer risk, is up 14 percent to \$41.63 a share for a market cap of \$1.81 billion for the week ended April 18, 2008. **Psychemedics** (Acton, MA) is also up 14 percent to \$18.90 a share for a market cap of \$98.56 million. Also posting gains over the past four weeks was **Monogram Biosciences** (South San Francisco), which was up 8 percent to \$1.14 a share for a market cap of \$152.98 million.

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Labs facing the biggest losses over the past four weeks include **Orchid Cellmark** (Princeton, NJ), which was down 11 percent to \$2.53 per share for a market cap of \$75.81 million. **Medtox Scientific** (St. Paul, Minn.), a drugs-of-abuse testing company could be feeling a negative impact in its employment screening business, given the current low employment figures. It is down 6 percent to \$14.54 a share for a market cap of \$124.3 million for the week ended April 18. **Bio-Reference Laboratories** (Elmwood Park, NJ) is also down 4 percent to \$25 per share for a market cap of \$344.52 million. 🏛️





Hawaii Enlists Regional Labs to Expand Flu Testing

Three private laboratories—Clinical Laboratories of Hawaii, Diagnostic Laboratory Services, and the diagnostic laboratories under Kaiser Permanente—have partnered with the Hawaii State Department of Health (DOH) to provide advanced molecular influenza testing over the next five years.

Earlier this year, the health department had offered up to \$150,000 in federally funded grants and technical assistance to local laboratories to buy equipment and supplies to establish advanced molecular testing for influenza. Under the agreement with the health department, these three labs have agreed to test at least 1,000 patients at any time and will also warehouse and rotate supplies over the next five years.

Previously, definitive testing for influenza in Hawaii was only available at the DOH State Laboratory and Tripler Army Medical Center. “In a matter of months, Hawaii has more than doubled its flu-testing capacity from just two laboratories in the state that could provide molecular testing to now five labs,” said Dr. Chris Whelen, DOH State Laboratories Division chief, in a news release. 🏛️

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- Myriad Genetics 801-584-3600
- National Jewish Medical and Research
Center 303-398-1719
- Neogenomics (239) 768-0600
- Orchid Cellmark 609-750-2200
- Psychemedics 800-628-8073
- Quest Diagnostics 800-222-0446
- Scripps Health 1-800-SCRIPPS
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