UNITED TAKES TEETH OUT OF BEACONLBS IN FLORIDA

On December 31, UnitedHealthcare announced it was indefinitely delaying the claims rejection component of its BeaconLBS pilot program in Florida. The claims rejection component of BeaconLBS, which had been scheduled to start January 1, has now been delayed for a second time and no new effective date has been announced. Under this policy, UHC would have denied payment for certain high-volume lab tests if the ordering physician had not used the BeaconLBS software program. BeaconLBS is a wholly-owned subsidiary of LabCorp.

UHC says it will initiate the claims impact on a delayed schedule to be effective in the “near future.” No specific start date has been given, although UHC says it will give labs and providers 30 days advance notice.

UHC’s Elizabeth Calzadilla-Fiallo, Director of Public Relations for Florida, says the start date was delayed a second time in response to feedback received from physicians and pathologists. “I’ve never seen a pilot program receive so much interest,” says Calzadilla-Fiallo. Continued on page 4.

LAB ANXIETY GROWING AS FDA MARCHES TOWARD REGULATION OF LABORATORY-DEVELOPED TESTS

Industry stakeholders are seeking further clarification from the Food and Drug Administration (FDA) on exactly how the agency expects to measure the risk that a laboratory-developed test poses to consumers. In a public workshop held Jan. 8-9 in Bethesda, Maryland, more than 80 laboratories, IVD manufacturers and trade groups testified. The biggest concern is “How will the FDA determine which LDTs are riskiest and therefore required to go through the time-consuming and expensive premarket approval process?” Continued on page 8.

ROCHE BUYING MAJORITY STAKE IN FOUNDATION HEALTH AT RECORD VALUATION

Roche, the world’s largest seller of cancer drugs, is spending $1.03 billion to buy a 56% stake in Foundation Medicine (Cambridge, MA), which markets gene sequencing tests to help select drugs for cancer patients. The deal places an enterprise value on Foundation of approximately $1.6 billion, an amount equal to 26 times the company’s 2014 revenue of $61 million. That’s a record high valuation for a laboratory company, smashing through the previous record of Quest Diagnostics’ purchase of Athena Diagnostics for 7 times revenue in 2011. Continued on page 2.
To Get the Full Issue: Subscribe to Laboratory Economics!

Laboratory Economics is a monthly business newsletter that gets behind the headlines and press releases to provide you with the strategic information and data you need to compete and win. Our editors talk directly to the people making the news, providing you with a first-hand view on lab marketplace developments. Subscribe today and you will immediately receive a PDF file of the current issue. Then every month you’ll receive 12 pages filled with clear analysis and valuable business strategies that will help your lab become more successful.

Win Big with the Most Current News & Information:
- Keep up-to-date on the latest pathology and lab contract changes by Aetna, Cigna, Humana, UnitedHealth and the biggest BCBS plans
- Stay informed on the latest strategic moves by the nation’s two largest labs: Quest Diagnostics and LabCorp
- Find out the latest specialty physician groups to insource pathology services and how pathology groups are dealing with this alarming trend
- Get in-depth profiles of the nation’s most successful hospital lab outreach programs
- Learn the clinical and business details behind exciting new molecular diagnostics
- Get benchmarking data and strategies you can use to improve your lab’s billing and collection operations
- Hear expert opinion on emerging lab trends through exclusive interviews with the lab industry’s movers and shakers
- Get statistics from our proprietary surveys on Web-connectivity, molecular diagnostics and hospital lab outreach

Special Bonus: New subscribers will receive the current issue free of charge. 
That’s 13 issues for the price of 12!

100% Satisfaction Guaranteed! If at anytime you become dissatisfied with your subscription to Laboratory Economics, drop me an e-mail and I’ll send you a refund for all unmailed issues of your subscription, no questions asked. Jon David Klipp, labreporter@aol.com

Subscribe to Laboratory Economics

☐ YES! Please enter my subscription to Laboratory Economics at $375 for one year; Subscription includes 12 monthly issues sent both electronically and by regular mail plus access to all back issues at www.laboratoryeconomics.com/archive.

Name ____________________________
Title ____________________________
Company ____________________________
Mailing Address ____________________________
________________________________
City, State, Zip ____________________________
Phone ____________________________
Fax ____________________________
e-mail address (necessary to receive electronic copies) ____________________________

Check enclosed (payable to Laboratory Economics)
Charge my: MC Amex Visa (circle one)
Card # ____________________________
Expiration Date ____________________________
Cardholder’s name ____________________________
Signature ____________________________
Billing address ____________________________

Mail To: Laboratory Economics, 195 Kingwood Park, Poughkeepsie, NY 12601; Fax order to 845-463-0470; or call 845-463-0080 to order via credit card.

www.laboratoryeconomics.com