

LABORATORY



ECONOMICS

Competitive Market Analysis For Laboratory Management Decision Makers

ANALYST'S REPORT HIGHLIGHTS THE HIGH COST OF HOSPITAL LAB TESTING

Ancedotal evidence presented in a new Wall Street research report suggests that hospital labs are charging managed care companies significantly more than the national labs.

The report written by Ralph Giacobbe at Credit Suisse compared the cost of a series of tests performed at a United Healthcare in-network hospital lab in New York City versus a nearby LabCorp location. Giacobbe found that the hospital charged over 23 times more than LabCorp (\$384 vs. \$16.25) for the same exact tests.

Given the significant upcoming changes brought on by healthcare reform, and focus on cost-effective care, Giacobbe believes managed care companies will redouble their efforts to direct patients to lower-cost labs. And with growing out-of-pocket costs, he expects more consumer attention and awareness to help drive change.

Continued on pages 6-7.

DALLAS PATHOLOGIST AND AMERIPATH REACH SETTLEMENT

Michael Robles, DO, and AmeriPath have reached a confidential settlement agreement that ends a lawsuit that Robles had filed challenging AmeriPath's non-compete employment restrictions.

Cont'd on page 9.

AURORA DIAGNOSTICS BUYS 2 MORE PATH LABS; CEO JAMES NEW IS STEPPING DOWN

Aurora Diagnostics (Palm Beach Gardens, FL) acquired Global Pathology Laboratory Services (Hialeah, FL) on August 1. It also purchased DermPath New England (Boston, MA) on June 2.

In other news, James New, 66, who helped found Aurora in 2006, has announced that he will retire as chief executive on September 1. John Hart has been appointed as CEO and will join the company's board. *More details on page 2.*

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