LABCORP SHOOTS DOWN TAKEOVER RUMORS

LabCorp says it has no knowledge of a planned leveraged buyout after a report surfaced that the lab-testing company is being targeted by a number of private equity firms. Speculation started after the online business publication Debtwire.com reported on July 31 that Bank of America was preparing to take LabCorp private in a “massive leveraged buyout.” The publication cited sources familiar with the situation but did not identify them. On August 1, LabCorp issued a statement saying it has “no knowledge of any such plans and is not in current discussions with any firms to effect such a transaction.” Continued on page 4.

LABS BRACE FOR CMS DECISION ON MOLECULAR TESTS

The Centers for Medicare & Medicaid Services is expected to announce some key decisions affecting molecular and genetic tests in early September. The agency is likely to decide that 100+ new molecular CPT codes will be placed on the Part B clinical lab fee schedule (as opposed to the Medicare Physician Fee Schedule), according to Bruce Quinn, MD, PhD, senior health policy specialist at the law firm Foley Hoag LLP. Quinn thinks pricing will be set near the average or median prices currently charged by labs using code stacks. Continued on page 2.

INCYTE AND EASTSIDE PATHOLOGY TO MERGE

InCyte Pathology (Spokane Valley, WA) and Eastside Pathology (Bellevue, WA) have announced plans to merge in a deal expected to close January 1, 2013. All together, the combined company will have 206 employees, including 36 pathologists and 10 sales reps. The board of directors at the combined company will include six pathologists from InCyte and three pathologists from Eastside. The deal follows InCyte’s acquisition of Davis-Sameh-Meeker Laboratories (Walla Walla, WA) in April 2011. The merged company is targeting the Puget Sound-Seattle area for growth, according to Gary Gemar, chief operating officer at InCyte Pathology. Continued on page 3.

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