

# LABORATORY ECONOMICS

*Competitive Market Analysis For Laboratory Management Decision Makers*

## FORMER AEL EXECS START OralDNA LABS

A group of executives formerly with American Esoteric Labs has started a new lab company named OralDNA Labs based in Brentwood, Tennessee (just outside of Nashville). The new company has received funding from Oak Investment Partners. Oak was a lead investor in AEL, which was sold to Sonic Healthcare in December 2006 for \$180 million. The amount of Oak's investment in OralDNA has not been revealed. However, Robert Walker, senior vice president, sales and marketing at OralDNA, says, "Money will not be an issue." *Continued on page 4.*

## BIOIMAGENE RAISES \$26M FOR DIGITAL PATHOLOGY

BioImagene (Cupertino, CA), which makes software and scanners for digital pathology, has raised \$26 million from private equity investors. The round was led by San Francisco-based Burrill & Co. BioImagene's capital infusion comes on the heels of GE Healthcare's \$40 million partnership with University of Pittsburgh Medical Center aimed at bringing a digital pathology system to market within two years (see *LE*, July 2008, pp. 10-11). "The GE-UPMC announcement was a wonderful validation for our industry. I've been saying that digital pathology has the potential to become a \$2 billion per year market, but when GE says the same thing, everyone believes it," says Mohan Uttarwar, chief executive of BioImagene. For more on BioImagene plus an overview of the latest developments in digital pathology, see pages 5-6.

## DIANON OFF AND RUNNING WITH HISTOLOGY LAB MANAGEMENT DEALS

LabCorp's Dianon Systems has begun signing mid- and large-size urology groups to its new turnkey in-office histology lab management program. Under this arrangement (see *LE*, April 2008, p. 8), Dianon helps build and then manage technical labs at urology groups for a fixed monthly management fee plus a set fee for each slide processed at the lab. *LE* hears that Dianon has signed at least five urology groups across the country to these contracts, including Tri-County Urologists (an 11-doctor group in Detroit) and Urology Group of New Jersey (a 25-doctor group in northern New Jersey). *Full details on page 2.*

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