

# LABORATORY ECONOMICS

*Competitive Market Analysis For Laboratory Management Decision Makers*

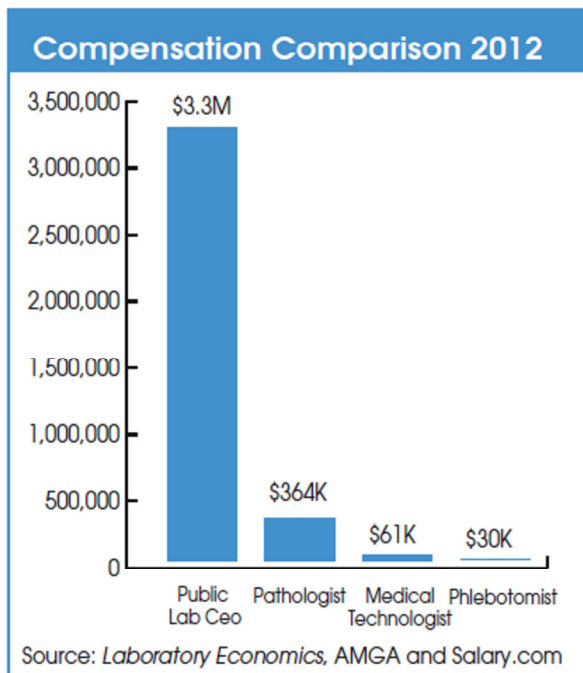
## CLOCK IS TICKING FOR LABS TO SUBMIT JUSTIFICATION FOR HIGHER MDx TEST RATES

**C**MS has finally published interim pricing from Medicare Administrative Contractors (MACs) for approximately 114 molecular diagnostic CPT codes. Payment rates for specific codes vary widely by MAC and, on average, are 25% to 30% below rates labs had received under the old code-stack method of billing. On the bright side, after four months of holding claims, most carriers are now processing and paying MDx test claims.

*Continued on page 2.*

## PUBLICLY-TRADED LAB CEOs PAID AVERAGE OF \$3.3M

**T**he chief executives at 12 publicly-traded lab companies were paid an average of \$3.3 million each last year, according to an analysis of shareholder proxy statements by *Laboratory Economics*. That's nearly 10 times the average annual compensation of \$363,559 for pathologists, more than 50 times the average \$61,398 per year paid to medical technologists and 100 times the average of \$30,231 for phlebotomists, according to the latest surveys from the American Medical Group Management Association (AMGA) and Salary.com. *Full details on pages 6-8.*



## QUEST BUYS ADVANCED TOXICOLOGY NETWORK

**Q**uest Diagnostics has acquired the toxicology and clinical laboratory business (DBA Advanced Toxicology Network) from Concentra, a subsidiary of Humana Inc. In addition, Quest Diagnostics has entered into a long-term agreement with Concentra to be its primary provider of workplace drug toxicology and clinical laboratory testing. *Continued on page 11.*

## CONTENTS

<b>HEADLINE NEWS</b>	
CMS posts carrier MDx text prices.....	1, 2-5
Publicly-traded lab CEOs earn average \$3.3 million .....	1, 6-8
Advanced Toxicology Network.....	1, 11
<b>MOLECULAR DIAGNOSTICS</b>	
MDx test price comparison chart .....	2
Cahaba's unusual pricing .....	3
Increased non-coverage decisions and claim denials at Palmetto .....	4
Will Palmetto's MolDx program go national? .....	5
Noridian sets BRACAnalysis at \$2,795.....	5
<b>EXECUTIVE COMPENSATION</b>	
Commercial lab CEOs paid \$3.3 million.....	6
Lab CEO compensation table ....	7
IVD execs take home average \$7.9 million.....	8
<b>IN-OFFICE PATHOLOGY LABS</b>	
Nearly 200 in-office path labs formed in 2012.....	9
Self-referring urologists bill more.....	10
<b>FINANCIAL</b>	
CGI raises \$6.9 million from IPO .....	11
<b>STOCKS</b>	
Lab stocks up 5%.....	12

## 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. Jondavid 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](http://www.laboratoryeconomics.com/archive).

Check enclosed  
(payable to *Laboratory Economics*)

Charge my: MC Amex Visa (circle one)

Name \_\_\_\_\_

Card # \_\_\_\_\_

Title \_\_\_\_\_

Expiration Date \_\_\_\_\_

Company \_\_\_\_\_

Cardholder's name \_\_\_\_\_

Mailing Address \_\_\_\_\_

Signature \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Billing address \_\_\_\_\_

Phone \_\_\_\_\_

Fax \_\_\_\_\_

e-mail address (necessary to receive electronic copies) \_\_\_\_\_

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.