



NEWS RELEASE

Quest Diagnostics and Mercy Broaden Access to Innovative, Convenient Lab Services in the Midwest

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Quest to acquire Mercy's outreach laboratory business serving providers and patients in Arkansas, Kansas, Missouri and Oklahoma

SECAUCUS, N.J., and ST. LOUIS, March 8, 2021 /PRNewswire/ -- Quest Diagnostics (NYSE: DGX), the leading provider of diagnostic information services, and Mercy, one of the nation's most highly integrated, multi-state health care systems, today announced a definitive agreement for Quest to acquire the outreach laboratory services business of Mercy in an all-cash asset transaction. The aim of the transaction is to broaden access to innovative, quality and cost-effective laboratory services to deliver affordable patient care throughout the Midwest.

The Mercy outreach lab services business currently operates from 29 hospital laboratories and two independent clinic laboratories serving providers and patients in Arkansas, Kansas, Missouri and Oklahoma. Under the agreement, testing associated with outreach lab services will transition to the Quest Diagnostics full-service laboratory in Lenexa, Kansas, and a network of rapid response laboratories across the region. Mercy will continue to wholly own and operate its hospital labs for tests connected to inpatient and hospital-based outpatient care needs.

Assuming the transaction's completion, physicians and patients across the four states will benefit from access to Quest's industry-leading and highly innovative test menu, a larger network of conveniently located patient service centers, broad health plan coverage and competitive pricing.

"Mercy chose Quest to provide outreach lab testing because of its record of innovation and efficiency and our shared commitment to providing high-quality, convenient care that is accessible to all," said Lynn Britton, president and CEO, Mercy. "This relationship gives our patients and providers more convenient locations for sample collection and a significantly lower cost of testing while maintaining the same high quality patients and providers



need."

"As one of the country's leading large health systems, Mercy is exiting the physician lab outreach business to sharpen its focus on providing high-quality, equitable care," said Steve Rusckowski, Quest Diagnostics Chairman, CEO and President. "We look forward to working closely with Mercy to support their lab strategy. As pressures from the pandemic ease, and customer expectations and reimbursement pressures rise, we are talking to more and more top health systems about how Quest can help them enhance the effectiveness of their lab strategies."

Mercy selected Quest Diagnostics based on several factors, including Quest Diagnostics' commitment to quality, innovation, cost efficiencies and patient care. Another factor was Mercy and Quest's shared commitment to assisting underserved communities: In 2020, Quest Diagnostics, through its foundation, pledged to invest more than \$100 million to address racial disparities in healthcare through its **Quest for Health Equity initiative**.

The parties expect to complete the transaction in the second quarter of 2021, subject to customary regulatory approvals. Financial details of the transaction were not disclosed.

About Mercy

Mercy, named one of the top five large U.S. health systems for four consecutive years by IBM Watson Health, serves millions annually. Mercy is one of the nation's most highly integrated, multi-state health care systems, including more than 40 acute care, managed and specialty (heart, children's, orthopedic and rehab) hospitals, convenient urgent care locations, imaging centers and pharmacies. Mercy has 900 physician practices and outpatient facilities, more than 4,000 Mercy Clinic physicians and advanced practitioners and 40,000-plus co-workers serving patients and families across Arkansas, Kansas, Missouri and Oklahoma. Mercy also has clinics, outpatient services and outreach ministries in Arkansas, Louisiana, Mississippi and Texas. In addition, Mercy's IT division, Mercy Technology Services, and Mercy Virtual commercially serve providers and patients from coast to coast.

About Quest Diagnostics

Quest Diagnostics empowers people to take action to improve health outcomes. Derived from the world's largest database of clinical lab results, our diagnostic insights reveal new avenues to identify and treat disease, inspire healthy behaviors and improve health care management. Quest annually serves one in three adult Americans and half the physicians and hospitals in the United States, and our 50,000 employees understand that, in the right hands and with the right context, our diagnostic insights can inspire actions that transform lives.

www.questdiagnostics.com.

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