



Quest Diagnostics Announces Intent to Acquire Cape Cod Healthcare Outreach Laboratory Business in Massachusetts

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Acquisition to Enhance Access to Innovative, High-value Diagnostic Information Services for People on Cape Cod

MADISON, N.J. and HYANNIS, Mass., June 27, 2017 /PRNewswire/ -- Quest Diagnostics (NYSE: DGX), the world's leading provider of diagnostic information services, today announced it has signed a nonbinding letter of intent to acquire the outreach laboratory services business of Cape Cod Healthcare (CCHC). The acquisition is subject to review by the Massachusetts Health Policy Commission and completion of a definitive agreement.



Cape Cod Healthcare is the leading provider of healthcare services for residents and visitors of Cape Cod. The transaction, if completed, is expected to enhance access to quality, affordable and convenient laboratory services for people on Cape Cod.

"With Quest as our partner, we will not only maintain quality and continuity of services, but we will also lower costs," said Michael K. Lauf, president and CEO of Cape Cod Healthcare. "I am confident that they are a partner that will be flexible and responsive, something that is critically important in the rapidly changing and innovative field of diagnostic testing."

Outreach laboratory services are provided to local physicians and patients separate from hospital inpatient or outpatient care. The testing would transition to Quest's full-service, state-of-the-art clinical laboratory in Marlborough, Mass. CCHC's hospital-based laboratories and the inpatient and outpatient services it provides are not included in the transaction.

"As hospital health systems consider their outreach laboratory strategies in light of reimbursement pressures and the growth of high-deductible plans, which place a greater share of cost on patients, many are turning to Quest to help them deliver on their core mission of delivering patient care," said Steve Rusckowski, chairman, president and CEO of Quest Diagnostics. "Top health systems that have developed a commercial outreach business, such as Cape Cod Healthcare, are increasingly entrusting this vital diagnostic information service to Quest because we have unique assets, such as clinical expertise and scale, which allow us to deliver great value."

Once completed, the acquisition is expected to deliver several distinct benefits to patients and physicians on Cape Cod. These include significantly greater patient access and convenience through access to CCHC's patient service center network on Cape Cod, and thousands of clinical laboratory tests, including highly advanced and novel genetic sequencing tests for cancer, neurological disorders and other diseases. The two organizations also intend to explore opportunities to collaborate in population health and data analytics, among other areas.

The transaction also will leverage Quest's scale and expertise to produce more cost-effective testing for patients as well as government and commercial health plans. Third-party research shows that Quest Diagnostics often provides lab services that cost significantly less than those provided by hospital-based labs. The 2015 Massachusetts Health Policy Commission 2015 Cost Trends Report found "the price difference for the same service between different settings of care supports the need to explore opportunities to address both price variation and site-neutral payments." For example, for a basic metabolic panel, the median price at a hospital outpatient department was \$29, compared to a median price of \$12 at Quest.

Upon approval by the HPC, the organizations expect to complete the transaction by January 1, 2018, subject to negotiation of definitive agreements related to the transaction and customary closing conditions. Financial terms were not disclosed.

About Cape Cod Healthcare

Cape Cod Healthcare is the leading provider of healthcare services for residents and visitors of Cape Cod. With more than 450 physicians, 5,300 employees and 790 volunteers, Cape Cod Healthcare has two acute care hospitals, the Cape's leading provider of homecare and hospice services (VNA), a skilled nursing and rehabilitation facility, an assisted living facility, and numerous health programs. For more information, visit Cape Cod Healthcare's web site at www.capecodhealth.org. Cape Cod Healthcare. Visit our health news site www.capecodhealthnews.com for the latest in relevant and credible healthcare news.

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 43,000 employees understand that, in the right hands and with the right context, our diagnostic insights can inspire actions that transform lives. www.QuestDiagnostics.com.

50th Anniversary: In 2017, Quest Diagnostics celebrates 50 years of life-changing results. To learn about our legacy of accomplishments and quest to

improve healthcare in the future, visit www.QuestDiagnostics.com/50Years.

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