



## **Quest Diagnostics to Acquire Clinical Outreach Laboratory from UMass Memorial Medical Center; Plan to Build 'Lab of the Future' to Serve Massachusetts Health Care Community**

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**--Relationship will provide innovation, resources, and expanded access and connectivity for patients and doctors' offices, all at reduced costs--**

MADISON, N.J. and WORCESTER, Mass., Oct. 16, 2012 /PRNewswire/ -- Quest Diagnostics (NYSE: DGX), the world leader in diagnostic testing, information and services, signed a definitive agreement today to purchase the clinical outreach laboratory business of UMass Memorial Medical Center, a member of UMass Memorial Health Care and the largest health care system in Central New England.

The sale is the first step toward establishing a long-term relationship between the two organizations that could result in UMass Memorial taking a financial stake in a new entity that would develop and operate a state-of-the-art laboratory in Massachusetts in the future. The relationship will result in a number of benefits for patients, physicians, hospitals and health plans, including even higher quality service, expanded information connectivity options, and reduced laboratory testing costs.

Quest Diagnostics' full-service laboratory in Cambridge, Mass., and its Athena Diagnostics specialty neurology testing subsidiary in Worcester, Mass., will move to a new facility that is expected to be centrally located in the area. This facility, when fully operational, will perform the testing currently performed at UMass Memorial's Worcester-based outreach laboratories, the Quest Diagnostics testing currently performed in Cambridge and the testing performed by Athena. It is expected that the full transition of services will take place over the next 18 to 24 months, with details to be announced as they are finalized.

In addition, the two organizations view this combination of resources as the opportunity to work together in the future on many different fronts to provide physicians, patients and the healthcare community with the highest quality diagnostic testing through the lowest cost delivery model.

"We believe our new relationship with Quest Diagnostics will bring together the best of both of our lab organizations and is exactly the innovation that is necessary to successfully navigate through the dynamic and changeable health care landscape for the benefit of all the patients and families in Massachusetts," said John O'Brien, president and CEO, UMass Memorial Health Care. "As we seek ways to provide even better and more affordable health care in an era of continued reimbursement and utilization pressures, combining the scientific capabilities, expert knowledge and focus on high-quality, patient-centered care of both Quest Diagnostics and UMass Memorial Laboratories is truly the best possible outcome for all our constituencies."

"Our planned 'lab of the future' will further enhance quality, capacity and efficiency, resulting in better health care for patients and healthcare providers throughout Massachusetts, and it will position us to take advantage of long-term growth opportunities in the region and increase shareholder value," said Steve Ruscowski, president and CEO, Quest Diagnostics. "UMass Memorial is a premier academic health sciences center known for its innovative and effective treatments. This relationship is a model for hospitals and health care systems, given the reality of increasing pressure on reimbursement and utilization."

Financial terms of the transaction, which is expected to be completed in the next 90 days, following the satisfaction of customary regulatory requirements, were not disclosed. Quest Diagnostics expects the transaction will contribute one percent to consolidated revenues, be neutral to earnings per share in 2013, and accretive to earnings per share in 2014.

### **About UMass Memorial Medical Center**

UMass Memorial Medical Center is the region's trusted academic medical center, committed to improving the health of the people of Central New England through excellence in clinical care, service, teaching and research. As the hub of an integrated health care system, it partners with four community member hospitals: Clinton Hospital, HealthAlliance Hospital, Marlborough Hospital and Wing Memorial Hospital. Plus, UMass Memorial Medical Center is the clinical partner of the University of Massachusetts Medical School. UMass Memorial Medical Center has been an innovator in laboratory medicine and research and has operated one of the largest academic diagnostic laboratories in New England.

### **About Quest Diagnostics**

Quest Diagnostics is the world's leading provider of diagnostic testing, information and services that patients and doctors need to make better healthcare decisions. The company offers the broadest access to diagnostic testing services through its network of laboratories and patient service centers, and provides interpretive consultation through its extensive medical and scientific staff. Quest Diagnostics is a pioneer in developing innovative diagnostic tests and advanced healthcare information technology solutions that help improve patient care. Additional company information is available at [www.QuestDiagnostics.com](http://www.QuestDiagnostics.com) or follow us at Facebook.com/Quest Diagnostics and Twitter.com/QuestDX.

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