



UPMC and Quest Diagnostics Plan Partnership

December 17, 1996

PITTSBURGH, PA, December 17, 1996 – The University of Pittsburgh Medical Center (UPMC) and Quest Diagnostics Incorporated (currently Corning Clinical Laboratories) have signed a letter of intent to explore joint ventures in laboratory testing, medical informatics and molecular diagnostics research, it was announced today by both organizations. If this proposed partnership comes to fruition, it would be one of the country's largest joint ventures combining the resources of a for-profit clinical testing laboratory with those of a major academic medical center.

Under discussion are various scenarios that would use the resources and medical expertise of both organizations in laboratory processing and quality oversight. The purpose of this collaboration is to provide high quality service at a low cost. Combining laboratory services would lead to significant economies. These cost savings would not only benefit UPMC and its affiliated organizations but also would be made available to other healthcare facilities throughout the region.

UPMC has developed a medical information system called MARS. Under discussion with Quest Diagnostics is a plan to test this system in their high volume laboratory. Joint research projects in the area of genetic testing through molecular diagnostics also are under discussion.

Quest Diagnostics is one of the country's largest clinical testing laboratories. It is being spun off as an independent company by Corning Incorporated at the end of the year. The tests it performs on human tissue and fluids help in the diagnosis, treatment and monitoring of diseases from Aids to cancer. Quest Diagnostics processes and provides data on 60 million requisitions for specimens annually and had revenues last year of \$1.6 billion. Quest Diagnostics performs a wide variety of tests in 17 regional labs and 14 smaller branch labs across the United States and in a branch lab in Mexico City. Its research arm, Nichols Institute, specialized in advanced technology testing.

The UPMC is one of this country's leading medical research centers, ranking tenth in federal funding from the National Institutes of Health. It is internationally recognized for its work in transplantation, cancer and AIDS. In response to the economic changes occurring in the healthcare industry, the UPMC has launched an aggressive plan that will assure its survival in a cost-conscious managed care market. Elements of this plan include the development of an integrated network of hospitals throughout Western Pennsylvania, acquisition of insurance products and collaborative relationships with major carriers, acquisition of physicians' practices and development of a for-profit arm to provide ancillary healthcare services and foster mutually beneficial business relationships with major corporations.