

National Lab Program

Frequently Asked Questions

For Brokers and Agents

- 1. What changes regarding laboratory services are UnitedHealthcare and its affiliates, including Oxford Health Plans, announcing?***

Effective January 1, 2007, LabCorp will become UnitedHealthcare's sole national laboratory services provider.

Effective January 1, 2007, Quest Diagnostics will no longer be a contracted laboratory services provider for Oxford Health Plans or UnitedHealthcare except in very limited markets.

UnitedHealthcare has reached agreement with Laboratory Corporation of America (LabCorp) on a ten-year contract for reference laboratory services. LabCorp will participate with other regional and local laboratory providers in the comprehensive and expanding UnitedHealthcare laboratory network across the United States. LabCorp will also assume responsibility for managing the Oxford Health Plans laboratory network in the greater New York metropolitan region, effective January 1, 2007.

As part of this network development and oversight process, LabCorp will assume network management responsibility on behalf of the Oxford Health Plans laboratory network located in the greater New York, NJ and CT region effective, January 1, 2007. Also effective January 1, 2007, LabCorp will become the exclusive national capitated laboratory provider for HMO benefit plans for PacifiCare of Colorado, Neighborhood Health Partnership in Florida, and Mid-Atlantic Medical Services, in Maryland and Virginia, and will remain the exclusive provider for HMO benefit plans for PacifiCare of Arizona.

- 2. If LabCorp is becoming UnitedHealthcare's sole national laboratory, does that mean that other national laboratories will be dropped from our network?***

As of January 1, 2007, Quest Diagnostics will no longer provide contracted laboratory service as a national laboratory provider for UnitedHealthcare except in very limited markets. All other contracted labs will continue to deliver services to members. A current list of participating laboratories will be available for physicians at www.unitedhealthcareonline.com and for members at www.myuhc.com.

- 3. Does this mean that LabCorp is UnitedHealthcare's only contracted laboratory provider?***

In the overwhelming majority of the country, UnitedHealthcare's laboratory network will continue to include a combination of other regional and local laboratory service providers. In addition, in many areas we will be contracting with new providers and adding to the breadth of our network.

LabCorp will be the exclusive national capitated laboratory service provider for HMO benefit plans in the markets covered by PacifiCare of Colorado, Neighborhood Health Partnership in Florida, and Mid-Atlantic Medical Services (MAMSI) in Maryland and Virginia. LabCorp is already the exclusive provider for HMO benefit plans for PacifiCare of Arizona.

4. *Who is LabCorp?*

LabCorp offers laboratory services that are as complete and comprehensive as any other national laboratory company. LabCorp offers more than 4,400 types of laboratory tests from routine blood assays to HIV and genomic testing. LabCorp processes more than 360,000 specimens daily for 220,000 physicians and other clients. LabCorp is well-regarded for its complex testing capabilities related to oncology, infectious disease, and genomic, esoteric, or anatomic pathology.

In addition, LabCorp operates several affiliated Centers of Excellence including the Center of Esoteric Testing in Burlington, NC; the Center for Molecular Biology and Pathology in Research Triangle Park, NC; the Center for Occupational Testing in Research Triangle Park, NC; National Genetics Institute in Los Angeles, CA; and ViroMed in Minneapolis, MN.

Given the importance of simplifying the administrative burden of ordering and receiving diagnostic tests and results, LabCorp provides a variety of electronic interfaces that may be of interest to physicians and their patients. Their systems are compatible with the electronic connectivity software used by most medical practices today, and UnitedHealthcare will encourage its participating physicians to evaluate the applicability for their practice.

5. *What is the basis for UnitedHealthcare making this decision?*

UnitedHealthcare made this decision as a natural course of our review and advancement of the services provided by and to our network. We continually work on behalf of our customers to emphasize the importance of providing and facilitating choice by organizing access to high quality, cost effective and convenient health services. We have nothing negative to say about Quest or any other non-participating provider.

6. *Are all UnitedHealthcare products included?*

Yes. The arrangement applies to all legacy UnitedHealthcare commercial plans, as well as acquired plans including PacifiCare, Oxford Health Plans, MAMSI, Neighborhood Health Partnership, Definity, and UnitedHealthcare of the River Valley (formally known as John Deere Health).

7. *Are Americhoice and Ovations included?*

Yes, Americhoice and Ovations, including Secure Horizons products, are included.

8. *How will physicians and hospitals be impacted by this change?*

Physicians who currently refer UnitedHealthcare patients or their lab specimens to Quest Diagnostics for laboratory services, as of January 1, 2007, must use LabCorp or another participating laboratory. For physicians who are already using LabCorp or another participating laboratory, this development will have no significant effect on their practice.

UnitedHealthcare will be communicating with physicians and their practice staff over the next few months to prepare for this transition by encouraging them to make any necessary arrangements with LabCorp or another participating laboratory for services to be rendered after January 1st. Physicians who rely on patient service centers to secure lab specimens will also be encouraged to ensure those centers will be participating with UnitedHealthcare network on January 1st. In anticipation of this transition, the roster of participating patient service centers will expand over the next few months.

9. *What physician specialties will be most affected?*

The specialties that use reference laboratory services on a frequent basis include dermatology, oncology, obstetrics and gynecology, internal medicine, primary care, and nephrology.

10. *How will this affect UnitedHealthcare members?*

As long as physicians use one of the many UnitedHealthcare participating laboratories, there will be no effect on the patient who is a UnitedHealthcare member. However, after January 1, 2007, if patients or their specimens are referred to non-participating laboratories (including Quest Diagnostics), then UnitedHealthcare, its customers and its members may be subject to higher health care costs due to the nature of the various health care benefit plans offered and selected by purchasers and consumers. This would be an unfortunate result of physician inattentiveness to this issue and UnitedHealthcare will do all we can to work with physicians to prevent such consequences.

Patients are generally unaware of which laboratory service their physicians use. In 80% of cases, specimens are collected in a physician's office and picked up by a courier. Test results are then delivered electronically. In other cases, a physician may refer a patient to a patient service center to have a specimen taken. An important way a physician's office can help patients control the cost of care is to ensure that lab specimens remain in network with LabCorp or another participating lab provider. UnitedHealthcare will continue to encourage its members to take an active role in their health care and learn which laboratories participate in our network so together we can minimize any applicable expenses associated with the use of out-of-network providers.

11. *Does the elimination of Quest Diagnostics create gaps in our network of lab providers?*

No. UnitedHealthcare has successfully expanded and will continue to expand our network of regional and local laboratory providers to round out our network in New York, Connecticut, Illinois, Missouri, California, and Colorado where Quest has historically rendered a higher volume of lab services.

LabCorp will also be working to strengthen its presence in these markets. Specifically, LabCorp currently plans to add 377 new patient service centers by January 1, 2007 – 24% of which will be located in New York, Connecticut, and New Jersey.

12. Will the remaining contracted laboratory service providers be calling on physicians who were Quest Diagnostics' users in the interest of gaining their business?

Yes, we expect LabCorp and other contracted laboratory providers to call on Quest Diagnostics' customers to sell their services. UnitedHealthcare will support their efforts by briefing our Network Management and clinical staff to remind physicians that they are required to use contracted laboratory providers effective January 1, 2007.

13. Are physicians who were Quest Diagnostics' users expected to switch to LabCorp?

Effective January 1, 2007, physicians will be expected to use LabCorp for HMO benefit plans in the following markets where it is the exclusive national capitated laboratory services provider: PacifiCare in Arizona and Colorado, Neighborhood Health Partnership in Florida, and Mid-Atlantic Medical Services (MAMSI) in Maryland and Virginia. In other markets, physicians may choose from among a network of national, regional, and local laboratory service providers.

After reviewing all the comprehensive services and special capabilities LabCorp has to offer, and given the increasingly broad array of choice among laboratories participating in the UnitedHealthcare network, we are comfortable there will be no compromise of the ability of physicians to order the diagnostic tests necessary to meet the clinical management needs of their patients. If any such issue arises, LabCorp and UnitedHealthcare are prepared to work with physicians and their practice staff to resolve the issue so that the patient covered by UnitedHealthcare can be assured access to high quality, affordable health care and a simplified experience.