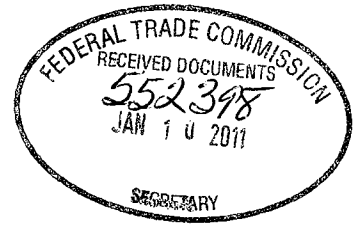


ORIGINAL

**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**



In the Matter of)
)
LABORATORY CORPORATION OF)
AMERICA)
)
and)
)
LABORATORY CORPORATION)
OF AMERICA HOLDINGS,)
Respondents.)

DOCKET NO. 9345

PUBLIC

COMPLAINT COUNSEL'S FIRST SET OF REQUESTS FOR ADMISSION (1-38)

Pursuant to 16 C.F.R § 3.32 (2010) and the Scheduling Order entered by Chief Administrative Law Judge Chappell on December 20, 2010, Complaint Counsel hereby requests that Respondents Laboratory Corporation of America and Laboratory Corporation of America Holdings, collectively the "Company", "LabCorp", or "you", admit the truth of the following statements or opinions of fact.

1. Admit that, since 2007, LabCorp is not aware of any Physician Group customer in Southern California switching from purchasing clinical laboratory testing services on a capitated basis to purchasing clinical laboratory testing services on a contracted FFS basis in response to an increase in per-member, per-month ("PMPM") rates, or proposed increase in PMPM rates, of less than 50%.

2. Admit that, since 2007, LabCorp is not aware of any Physician Group customer in Southern California who stopped purchasing capitated clinical laboratory testing services from LabCorp, and began purchasing clinical laboratory testing services from a laboratory who previously provided clinical laboratory testing services only to customers located outside of Southern California, in response to an increase in PMPM rates, or proposed increase, in PMPM rates.

3. Admit that, in Southern California, LabCorp's current average price per accession for FFS contracts with Physician Groups is at least three times higher than LabCorp's current average price per accession for capitated clinical laboratory testing services contracts with Physician Groups.

4. Admit that, in Southern California, LabCorp's current average price per accession for FFS contracts with Managed Care Companies is at least three times higher than LabCorp's current average price per accession for capitated clinical laboratory testing contracts with Physician Groups.

5. Admit that, since 2007, LabCorp has won at least 14 capitated clinical laboratory testing services contracts with Physician Groups when competing against Quest in Southern California.

6. Admit that, in Southern California, Westcliff's current average PMPM rates to Physician Groups for clinical laboratory testing services are lower than LabCorp's current average PMPM rates to Physician Groups for clinical laboratory testing services.

7. Admit that, in California, Westcliff's current average PMPM rates to Physician Groups for clinical laboratory testing services are lower than LabCorp's current average PMPM rates to Physician Groups for clinical laboratory testing services.

8. Admit that when setting the price for capitated clinical laboratory testing services contracts for Physician Groups in Southern California, LabCorp does not expect that it will obtain referral of tests that are reimbursed under separate FFS agreements from the physicians who are members of the Physician Groups.

9. Admit the truth of the following statement made by LabCorp's counsel, J. Robert Robertson in the Prehearing Scheduling Conference in this proceeding on December 17, 2010, as it relates solely to LabCorp: "[I]t's not just Quest, it's not just LabCorp, not just Westcliff, there's a bunch of other labs in this market as well, and what they do, every one of them, when they negotiate what the capitated rate is they want to know what the other business is. That determines what the capitated rate is because you have to make a profit. And so there is a relationship between the amount of that pull-through, meaning the other business they can get, and that capitated, that small bit of capitated business, and that's what determines that price. It rises or falls based on pull-through." (Tr. at 38).

10. Admit that Westcliff has not priced below its marginal costs of providing such services when providing clinical laboratory testing services to Physician Groups in Southern California.

11. Admit that LabCorp has not priced below its marginal cost of providing such services when providing clinical laboratory testing services to Physician Groups in Southern California.
12. Admit that the pricing proposal reflected in the document Bates stamped LCA-MCCDe-0692501 was communicated to the customer.
13. Admit that the pricing proposals reflected in the document Bates stamped LCA-MCCD-0001280 was communicated to the customer.
14. Admit that the pricing proposal reflected in the document Bates stamped LCA-MCCDe-0943283 was communicated to the customer.
15. Admit that the pricing proposal reflected in the document Bates stamped LCA-MCCD-0000233 was communicated to the customer.
16. Admit that the pricing proposal reflected in the document Bates stamped LCA-HARSe-0040186 was communicated to the customer.
17. Admit that the pricing proposal reflected in the document Bates stamped LCA-MANCe-0145981 was communicated to the customer.
18. Admit that the pricing proposal reflected in the document Bates stamped LCA-MCCD-0001058 was communicated to the customer.

19. Admit that the pricing proposal reflected in the document Bates stamped LCA-MCCDe-0200330 was communicated to the customer.
20. Admit that the pricing proposal reflected in the document Bates stamped LCA-GUAE-0002208 was communicated to the customer.
21. Admit that the pricing proposal reflected in the document Bates stamped LCA-VERKe-0082513 was communicated to the customer.
22. Admit that the pricing proposal reflected in the document Bates stamped LCA-VERKe-0038120 was communicated to the customer.
23. Admit that the pricing proposal reflected in the document Bates stamped LCA-VERKe-0092840 was communicated to the customer.
24. Admit that the pricing proposal reflected in the document Bates stamped LCA-VERKe-0093472 was communicated to the customer.
25. Admit that the pricing proposal reflected in the document Bates stamped LCA-VERKe-0083088 was communicated to the customer.
26. Admit that the pricing proposal reflected in the document Bates stamped LCA-VERKe-0056801 was communicated to the customer.

27. Admit that the pricing proposal reflected in the document Bates stamped LCA-VERKe-0076083 was communicated to the customer.
28. Admit that the pricing proposal reflected in the document Bates stamped LCA-VERKe-0076077 was communicated to the customer.
29. Admit that the pricing proposal reflected in the document Bates stamped LCA-VERKe-0076074 was communicated to the customer.
30. Admit that the pricing proposal reflected in the document Bates stamped LCA-PREGe-0079386 was communicated to the customer.
31. Admit that the pricing proposal reflected in the document Bates stamped LCA-VERKe-0067531 was communicated to the customer.
32. Admit that the pricing proposal reflected in the document Bates stamped LCA-VERKe-0055608 was communicated to the customer.
33. Admit that the pricing proposal reflected in the document Bates stamped LCA-VERKe-0066351 was communicated to the customer.
34. Admit that the pricing proposal reflected in the document Bates stamped LCA-VERKe-0093778 was communicated to the customer.

35. Admit that the pricing proposal reflected in the document Bates stamped LCA-VERKe-0058643 was communicated to the customer.

36. Admit that the pricing proposal reflected in the document Bates stamped LCA-VERKe-0076080 was communicated to the customer.

37. Admit that the pricing proposal reflected in the document Bates stamped LCA-VERKe-0094021 was communicated to the customer.

38. Admit that the pricing proposal reflected in the document Bates stamped LCA-VERKe-0094024 was communicated to the customer.

DEFINITIONS

For the purposes of these Interrogatories, the following definitions apply:

A. The terms "Company," "LabCorp," or "you" mean Laboratory Corporation of America Holdings, Laboratory Corporation of America, its domestic and foreign parents, predecessors, divisions, subsidiaries, affiliates, partnerships, and joint ventures, including the assets acquired in the Acquisition that are currently the subject of a hold separate agreement, and all directors, officers, employees, agents and representatives of the foregoing, its domestic and foreign parents, predecessors, divisions, subsidiaries, affiliates, partnerships, and joint ventures, and all directors, officers, employees, agents and representatives of the foregoing. The terms

“subsidiary,” “affiliate” and “joint venture” refer to any person in which there is partial (25 percent or more) or total ownership or control between LabCorp and any other person.

B. The term “Westcliff” means Westcliff Medical Laboratories, Inc. and BioLabs, Inc., and includes the business and assets being held separate by LabCorp and doing business as LabWest.

C. The terms “relate to,” “related to,” “relating to,” “in relation to” and “concerning” mean mentioning, comprising, consisting, indicating, describing, reflecting, referring, evidencing, regarding, pertaining to, showing, discussing, connected with, memorializing or involving in any way whatsoever the subject matter of the request, including having a legal, factual or logical connection, relationship, correlation, or association with the subject matter of the request. A document may “relate to” an individual or entity without specifically mentioning or discussing that individual or entity by name.

D. The terms “and” and “or” have both conjunctive and disjunctive meanings.

E. The terms “communication” and “communications” mean all meetings, interviews, conversations, conferences, discussions, correspondence, messages, telegrams, facsimiles, electronic mail, mailgrams, telephone conversations, and all oral, written and electronic expressions or other occurrences whereby thoughts, opinions, information or data are transmitted between two or more persons.

F. The term “FFS” means fee-for-service.

G. The terms “this proceeding” or “this matter” mean Docket No. 9345 before the Federal Trade Commission.

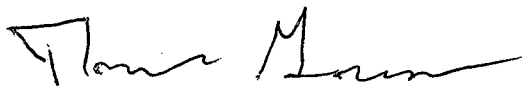
H. The term “Physician Group” means any group medical practice, independent practice association (sometimes referred to as independent physician association), physician service organization, management service organization, medical foundation, or physician/hospital organization, that provides, or through which physicians contract to provide, healthcare services to enrollees of HMO health plans on a delegated basis.

I. The term “Southern California” refers to ten counties south of, and including, San Luis Obispo, Kern, and San Bernardino counties.

J. The term "Managed Care Companies" means any health plan, health maintenance organization, or any other kind of managed care organization that negotiates contracts with providers of clinical laboratory testing services.

Dated: January 10, 2011

Respectfully submitted,

By: 
DH: B/M

J. Thomas Greene
Bureau of Competition
Federal Trade Commission
600 Pennsylvania Ave., NW
Washington, DC 20580
Telephone: (202) 326-2531
Facsimile: (202) 326-2624
tgreene2@ftc.gov

CERTIFICATION

Pursuant to 28 U.S.C. § 1746, I hereby certify under penalty of perjury that this response to the Interrogatories has been prepared by me or under my personal supervision from records of LabCorp, and is complete and correct to the best of my knowledge and belief.

(Signature of Official)

(Title/Company)

(Typed Name of Above Official)

(Office Telephone)

CERTIFICATE OF SERVICE

I certify that I filed via hand delivery an original with signature and one paper copy and a .pdf copy via electronic mail delivery (secretary@ftc.gov) that is a true and correct copy of the paper original of the foregoing Complaint Counsel's First Set of Requests for Admissions (1-38) with:

Donald S. Clark
Secretary
Federal Trade Commission
600 Pennsylvania Ave, NW, Rm H-110
Washington, DC 20580

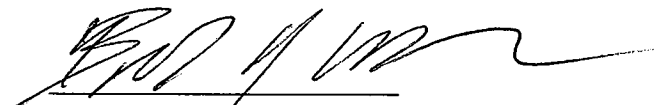
I also certify that I delivered via electronic mail one .pdf copy and via hand delivery one paper copy of the foregoing Complaint Counsel's First Set of Requests for Admissions (1-38) to:

Hon. D. Michael Chappell
Chief Administrative Law Judge
Federal Trade Commission
600 Pennsylvania Ave., N.W., Rm H-113
Washington, DC 20580
oalj@ftc.gov

I also certify that I delivered via electronic mail one .pdf copy of the foregoing Complaint Counsel's First Set of Requests for Admissions (1-38) to: J. Robert Robertson (robby.robertson@hoganlovells.com); Corey Roush (corey.roush@hoganlovells.com); and Benjamin Holt (benjamin.holt@hoganlovells.com):

January 10, 2011

By:



Brendan J. McNamara
Federal Trade Commission
Bureau of Competition