

LABORATORY CORP OF AMERICA HOLDINGS

Form 8-K

November 12, 2010

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

November 11, 2010  
(Date of earliest event reported)

LABORATORY CORPORATION OF  
AMERICA HOLDINGS  
(Exact Name of Registrant as Specified in its Charter)

Delaware  
(State or other jurisdiction of  
Incorporation)

1-11353  
(Commission File Number)

13-3757370  
(I.R.S. Employer Identification No.)

358 South Main Street,  
Burlington, North Carolina  
(Address of principal executive offices)

27215  
(Zip Code)

336-229-1127  
(Registrant's telephone number including  
area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01 Regulation FD Disclosure

Summary information of the Company in connection with the presentation at the Credit Suisse 2010 Healthcare Conference on November 11, 2010.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LABORATORY CORPORATION OF AMERICA HOLDINGS  
Registrant

By: /s/ F. SAMUEL EBERTS III  
F. Samuel Eberts III  
Chief Legal Officer and Secretary

November 12, 2010

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November 11, 2010  
Phoenix, AZ

Credit Suisse 2010  
Healthcare Conference

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This slide presentation contains forward-looking statements which are subject to change based on various important factors, including without limitation, competitive actions in the marketplace and adverse actions of governmental and other third-party payors.

Actual results could differ materially from those suggested by these forward-looking statements.

Further information on potential factors that could affect the Company's financial results is included in the Company's Form 10-K for the year ended December 31, 2009, and subsequent SEC filings.

Forward Looking Statement

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Introduction

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Leading National  
Lab Provider

- Fastest growing national lab
    - \$55 billion market
  - Clinical, Anatomic and Genomic Testing
  - Serving clients in all 50 states and Canada
  - Foremost clinical trials testing business
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Introduction

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Valuable Service

- Small component of total cost influences large percentage of clinical decisions
- Screening, early detection, and monitoring reduce downstream costs
- Companion diagnostics improve drug efficacy and reduce adverse drug effects

Attractive Market

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Attractive Market

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Growth Drivers

- Aging population
- Industry consolidation
- Advances in genomics
- Pharmacogenomics /  
companion diagnostics
- Cost pressures

Source: CDC National Ambulatory Medical Care Survey and Company Estimates

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Attractive Market

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Opportunity to  
Take Share

- Approximately 5,000 independent labs
- High cost competitors

Source: Washington G-2 Reports and company estimates

\$55 Billion US Lab Market

55%

14%

9%

4%

19%

Hospital Affiliated

Quest

LabCorp

Physician Office

Other Independent

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Attractive Market

Diversified Payor Mix

- No customer > 9% of revenue
- Limited government exposure

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- Attractive Market  
Diversified Test Mix
- Esoteric 40% of revenue with Genzyme Genetics acquisition
  - Higher priced business

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Genzyme Genetics Acquisition

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Acquisition Rationale

- Creates the premier genetics and Hematology-Oncology business in the world
  - Builds on our strategy of leadership in personalized medicine
    - Revenue opportunities
    - Selling LabCorp's test menu to Genzyme accounts
    - Selling Genzyme's test menu to LabCorp accounts
  - Genzyme customer access to LabCorp's convenient PSC network
  - Expanded use of genetic counselors
    - Cost synergies
      - Logistics
    - Specimen collection
      - G&A
-

- Genzyme Genetics Acquisition  
Increasing Importance  
of Genetics
- Preconception
    - Pre - and post - natal
    - Identification of disease carriers
  - Identification of disease predisposition
  - Diagnosis of genetically caused or influenced conditions (e.g., developmental delay)
  - Disease prognosis and treatment (especially cancer)

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Genzyme Genetics Acquisition  
Increasing Importance  
of Oncology

- More sophisticated methods of cancer testing complement traditional biopsies
- Evolution of some types of cancer from fatal to chronic disease
- Value of diagnostics for disease prognosis, and monitoring of progression and recurrence
- Critical role of testing in therapy selection

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Competitive Position

Scale and Scope

- National infrastructure
  - Broad test offering
- Managed care contracts
  - Economies of scale

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Primary LabCorp Testing Locations\*

Esoteric Lab Locations

(CET, CMBP, Dianon, Esoterix, Monogram Biosciences, NGI, OTS, US Labs, Viromed)

Patient Service Centers\*

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Competitive Position

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Managed Care Relationships

- Exclusive national laboratory for UnitedHealthcare
    - Sole national strategic partner for WellPoint
    - Significant national plans recently renewed or extended on a multi-year basis, including WellPoint, Cigna and Humana
    - Contracted with numerous local and regional anchor plans
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Scientific  
Leadership

- Introduction of new tests
- Acquisitions and licensing
- Collaborations with leading companies and academic institutions

Competitive Position

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Competitive Position

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Standardized and  
Efficient Processes

- Standardized lab and billing  
IT systems
  - Automation of pre-analytics
    - Capacity rationalization
    - Logistics optimization
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2010 Priorities

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Our Focus

- Profitable revenue growth
  - IT and client connectivity
  - Continue scientific leadership
    - Maintain price
    - Control costs
-

2010 Accomplishments

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Our Results

- Profitable revenue growth
    - Empire contract
    - Esoteric growth
      - Acquisitions
  - Improved IT and client connectivity
    - LabCorp Beacon
    - Enhanced experience for physicians and patients
  - Continued scientific leadership
    - Clearstone collaboration
      - IL-28B
    - New Monogram assays
      - Maintained price
      - Managed care stability
  - Strong YTD 2010 results
    - Controlled costs
  - Gross margin expansion
    - Sysmex project
-

2010 Accomplishments

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Profitable Revenue Growth

- Empire contract
  - In network status as of Aug 1, 2010
  - New York's largest insurer by membership
    - Esoteric revenue growth
    - 6.8% y/y growth YTD 9/30
  - Expansion of Monogram offerings
    - Acquisitions
    - Genzyme Genetics
      - Westcliff
      - DCL
  - 5.1% y/y total revenue growth YTD 9/30
    - Challenging economic environment
    - Positive volume growth in Q3 2010
    - Positive volume growth in Q1 and Q2 2010, after adjusting for lost contracts
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2010 Accomplishments

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Improved IT and Client  
Connectivity

- LabCorp Beacon: A superior physician experience
    - Intuitive Orders and Results
    - Unread reports in bold while abnormal values are displayed in red
  - Share results via Email, Fax and Print
  - Group patients according to a client's needs
    - Add notes to any report to share critical insights
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2010 Accomplishments

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- Powerful Analytics
  - Graphical views of a patient over time
  - Generate trends and averages for large populations
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2010 Accomplishments

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“K-RAS testing should be routinely conducted in all colorectal cancer patients immediately after diagnosis to ensure the best treatment strategies for the individual Patient”

- Dr. Eric Van Cutsem, presenter at the June 2008 American Society of Clinical Oncology meeting  
FDA recommends genetic screening prior to treatment with Abacavir

ROCKVILLE, Md -- July 24, 2008 -- The US Food and Drug Administration (FDA) has issued an alert regarding serious, and sometimes fatal, hypersensitivity reactions (HSRs) caused by abacavir (Ziagen) therapy in patients with a particular human leukocyte antigen (HLA) allele, HLA-B\* 5701.

Genetic tests for HLA-B\*5701 are already available, and all patients should be screened for the HLA-B\*5701 allele before starting or restarting treatment with abacavir or abacavir-containing medications.

“FDA has approved the expanded use of Selzentry... to include adult patients with CCR5-tropic HIV-1 virus who are starting treatment for the first time.”

- ViiV Healthcare Press Release, November 20th, 2009

Continued Scientific Leadership

- Clearstone collaboration
  - Global clinical trials capability
    - Presence in China
  - Enhanced offerings in companion diagnostics and personalized medicine
    - IL-28B
    - K-RAS
    - HLA-B\* 5701
  - BRAF Gene Mutation Detection
    - EGFR Mutation Analysis
    - CYP 450 2C19
    - Trofile (CCR5 Trophism)
    - PhenoSense, PhenoSense GT
      - HerMark
  - Grew Outcome Improvement Programs
    - Relaunch of CKD program
    - Litholink kidney stone program
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2010 Accomplishments

Maintained Price

- Managed care stability
- Contracted pricing has offset 1.9% Medicare rate decrease
- Promoted high-value tests