

## AMERICAN PATHOLOGY PARTNERS BUYS UNIPATH

American Pathology Partners (APP—Brentwood, TN) has purchased Unipath LLC (Denver, CO) effective Dec. 31, 2008, for an undisclosed sum of cash. The acquisition is the first for APP, which was formed in February 2008 by Thanasis Papaioanu, Ed Dooling and two hospital chain executives, Marty Rash and Bob Yeager. Unipath had been one of the largest pathologist-owned labs in the country, with 25 pathologists and annual revenue of approximately \$25 million. As part of the deal, APP has signed a long-term agreement to receive professional services from Unipath's pathologists.

APP has purchased Unipath's technical lab and will employ its 125 non-physician staff. The acquisition also included contracts to provide pathology services to 11 hospitals in the Denver area.

APP will keep the Unipath name and has hired Tricia Hughey to remain as chief executive of the pathology lab. Unipath's pathologists will stay an independent group (dba Unipath PC) that provides professional services to Unipath.

Robert Yeager, chief executive of APP, says APP plans to grow Unipath by adding sales reps and expanding its geographic reach beyond the greater Denver area. In particular, Yeager sees an opportunity to increase marketing for Unipath's specialty services in hematopathology, dermatopathology and pediatric pathology. In addition, he expects APP to make more acquisitions in the Rocky Mountain area.

Yeager believes the economic incentives of APP and Unipath's pathologists are aligned. He notes that the pathologists are not salaried employees of APP—both groups will benefit only if volumes grow.

APP funded the acquisition with backing from the private equity firm New Enterprise Associates (Menlo Park, CA), which committed \$75 million to the new company early last year (see *LE*, June 2008, pp. 1, 5). Yeager says NEA will also help fund investments in Unipath's infrastructure, especially information technology.

Unipath's competitors in the Denver area include Quest Diagnostics/AmeriPath, which employs more than 20 pathologists in Denver, and MetroPath, an independent pathology group with about eight pathologists. In addition, several urology and gastroenterology groups in the Denver area have merged and built in-office histology labs in recent years.