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JUL 11 1975

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PRACTICE LIMITED TO GASTROENTEROLOGY
AND ENDOSCOPY

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AUG 4 1975

J.T. BARR

July 25, 1975

Howard L. Watson,
Adm. Mgr., Manufacturing
Chemicals Group
5 Executive Mall Bldg.
656 E. Swedesford, Road
Wayne, Pa. 19087

Dear Howard:

I am summarizing my own thoughts regarding the proposal to utilize the Abbott Reference Laboratories for our testing programs. I would of course defer to the judgement of Dr. Kuschner and a copy of my letter is being sent to him.

First, our current costs for the standard SM-12-60 and various laboratory tests commonly used are as follows for the Calvert City operation:

A.	SM-12-60 which includes Ca, Phos, xx CO2, uric acid, cholesterol, Total Protein, Albumin, Total Bilirubin, L.D.H., Alk. Phos. & SGOT is-----	\$16.00
	SGPT(not on SM-12-60)-----	9.00
	GGTP(not on SM-12-60)-----	9.00
	L.A.P.-----	9.00
	Platelet test-----	3.00
	Total per person	\$46.00

B. For these charges, we get the services and on the spot advice of a Board Certified Specialist in Clinical Pathology in solving problems which arise and supervising quality control, etc. This has proved invaluable to me. He will help set up new tests, look up literature, etc. and all tests can be done on one blood specimen.

Second, consider what other costs would be incurred if switch is made to the Abbott Laboratory which does not cover all the tests which we agreed on in Allentown and all of the data processing is based on currently.

A. A centrifuge would have to be purchased and space made available near or in the plant dispensary for its use. These costs varying amounts according to how elaborate equipment we would want. It would be at least \$1,000.00 or more.

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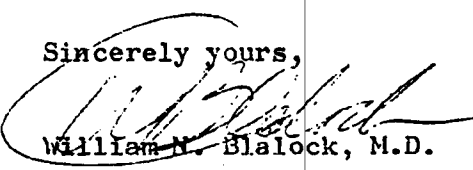
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- B. Extra labor would be incurred, probably a laboratory technician, to draw the blood, centrifuge the blood and other costs would be incurred such as deep freeze equipment, labor to package the material for shipment to Abbott, etc.. Current salaries for laboratory technicians vary but here would be at least \$10,000.00 per year.
- C. Such a laboratory would require supervision by myself and would require more of my time at additional cost.

Therefore, if one considers at first the savings which seem to be present, I do not think that the per employee cost would be much greater with our present method than with the seemingly cheaper system. The advantages of the present method of easy accessibility of data to myself, and free exchange of information between myself and Dr. C.B. Jones, our pathologist, would not be present with the Abbott laboratory. These same factors would apply it would seem to Dr. Beidleman. Advantages that would be present in addition to the cost factor would be better accessibility to the employee for testing purposes and standardization of laboratory data.

I think that I have outlined to you my own reasoned analysis as you requested. I would be interested in what the final decision is in this matter since it obviously will take more of my time if it is utilized.

Sincerely yours,


William N. Blalock, M.D.

WB/lw

cc/Marvin Kuschner

B. Beidleman

Tom Herbig

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