

# Diagnostic Testing and Technology Report

Competitive Intelligence & Analysis for an Expanding Global Market

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## RedPath Combines Pathology, Molecular Diagnostics

Pittsburgh-based RedPath Integrated Pathology is hoping to fill an existing critical need by merging cutting-edge molecular technology tools with standard pathology practice, focusing first on cancer diagnostics. Founded in 2004 by Dr. Sydney Finkelstein, RedPath is built on a proprietary, patented Topographic Genotyping platform, a high throughput molecular profiling system.



RedPath CEO  
Mary Del Brady

“What we have is a breakthrough approach that helps to reduce diagnostic unknowns or missed diagnosis,” says Mary Del Brady, president and CEO of RedPath. “It’s a molecular-based technology, and we integrate it with standard pathology practice, so what we end up doing is facilitating more definitive diagnoses where the standard practice could not.”

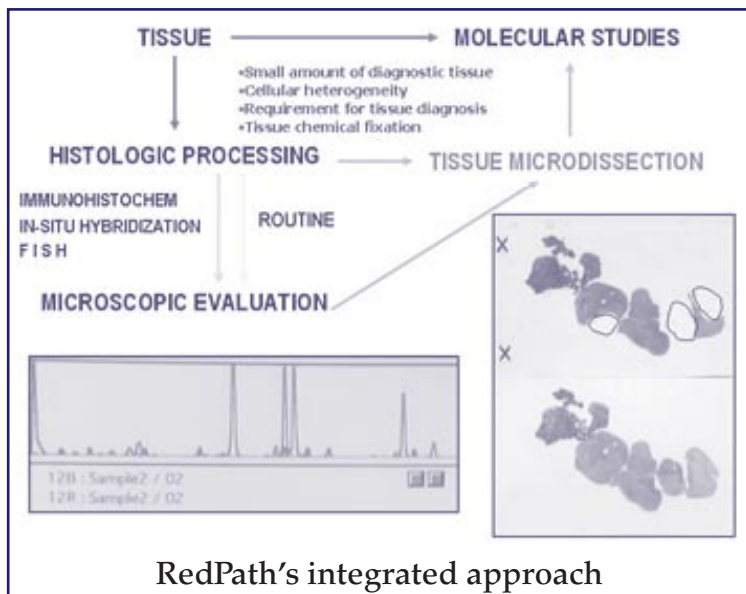
Their highest-volume test is for early pancreatic cancer diagnosis, a cancer for which about 80% of diagnoses are made at a late stage. “Obviously there was a real need to find a tool as a way to enable earlier and more definitive diagnosis,” says Del Brady. “We’ve experienced good market adoption on this indication around the country.”

RedPath’s technology, known as PathFinderTG, can be used on a variety of tissue types, including solid tumors from standard formalin-fixed biopsy slides, cytology smears, and fine needle aspirated (FNA) solids and fluids. “We use our patented technology to manipulate and extract the DNA, amplify it, and then perform a mutational fingerprint on it,” says Brady. A panel of between 15 and 20 markers is customized based on the organ system and application.

RedPath operates as a commercial laboratory, providing diagnostic tools and support to pathologists and clinicians. They don’t expect pathologists or surgeons to perform their jobs any differently. “We hope that we don’t threaten the pathologists, that they can appreciate that this is a very powerful tool, which will help them do their jobs better and complement the skills of pathologists,” says Brady. “We don’t ask for all the cases—just the hard ones and where there is still some question left.”

In 2007, RedPath expects to handle about 3,000 cases, double that of 2006. Last

September, they raised \$4 million in a Series A equity financing round and intend to use those funds to increase sales and marketing activities and scale-up operations. According to Brady, the company has experienced measured growth. "From an operations standpoint, we've been able to operate at a break-even level, but we need to resolve all the reimbursement issues so that we can do a total ramp-up of the sales effort," she says. "What we're doing this year is building marketing structure that will match what we're hearing from our target audience; we're building our information systems infrastructure that will be able to support a company in rapid growth. We really see a big gear-up in 2008 and beyond."



According to RedPath, their technology has been validated with a 95% accuracy rate, and over 150 peer-reviewed articles have been published about it. Brady doesn't feel they are limited to clinical diagnostics, either. "Our platform is really broad enough it can be valuable in drug discovery, theranostics, and treatment effectiveness, so as we ramp up the service business, we also intend to explore the other markets as well. We are one of those small but growing group of companies that are really applying knowledge gained through the whole genomics revolution into everyday clinical practice."

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