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5 Years of Lab Testing:

How the Nation's Most Used Medical Benefit Is Evolving

Avalon Healthcare Solutions is proud to release its **Fifth Annual Lab Trend Report,** which provides an in-depth analysis of five-year trends in routine and genetic testing, site-of-service cost disparities, innovation in lab technology, and Avalon's efforts to improve efficiency and value.

Lab Testing:
U.S. Healthcare's Most Used Benefit and **One of the Least Managed**

$137B
value

The clinical laboratory testing market in the US was valued at **~$136.7 billion in 2025.**

9%
growth

The lab testing market is expected to **grow ~9% per year** from 2025 to 2030.

14B lab tests performed annually in the U.S.

70% of treatment decisions influenced by lab results

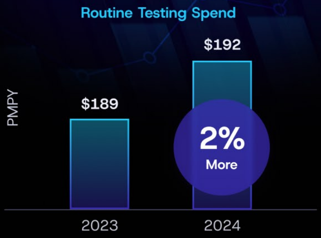
10 new genetic tests introduced every day

175k+ genetic tests exist, with only ~500 CPT codes

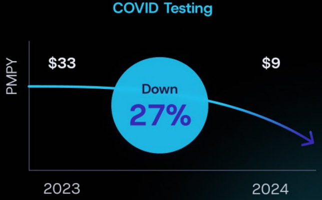
50% of office visits include a lab test order

Routine Testing accounts for 90% of Test Volume, but **Cost Trends Are Slowing**

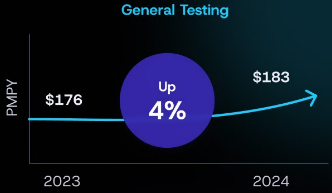
Overall spend PMPY **increased 2%** from $189 in 2023.


Routine Testing Spend

COVID testing **decreased 27%** to $9 PMPY.


COVID Testing

General testing **increased 4%** to $183 PMPY.


General Testing

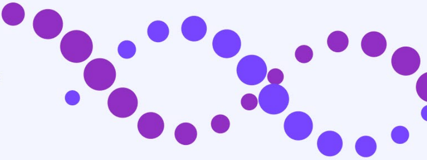
Challenges in monitoring and optimizing routine testing continue and include:

- **Overutilization** versus **underutilization**
- Need for **disease-specific** clinical care pathway & **general rules**
- **Lack of awareness** of appropriate test ordering practices
- The view that **more = better care**
- Lack of **data access** and **feedback**

20%
Plan Savings

Avalon's automated policy enforcement technology effectively controls spending and reduces overutilization resulting in **up to 20% health plan savings** and **25% member out of pocket savings.**

Genetic Testing Makes Up 10% of Volume but **Drives 30% of Spend**



$14.80
PMPY in 2024

$13.45
in 2023

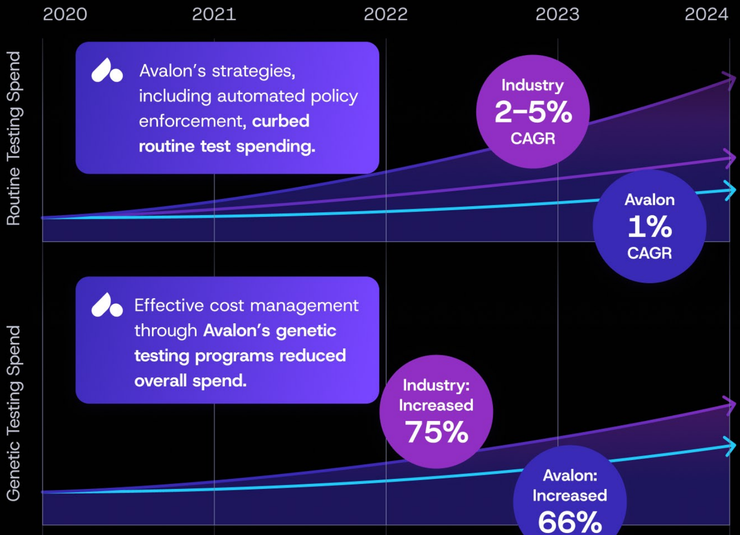
Spend & utilization

up 10% YoY

Challenges in managing and optimizing genetic testing include:

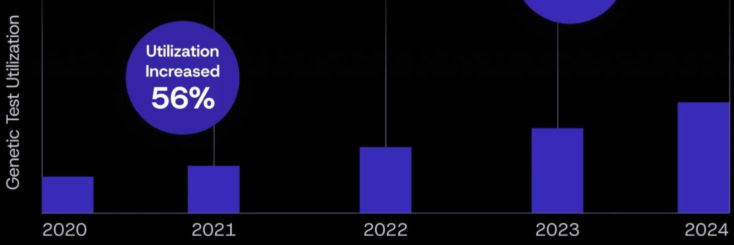
- ⚠ Lack of coding specificity
- ⚠ Quality control
- ⚠ Low barrier to entry with CLIA lab
- ⚠ View that more = better care
- ⚠ Lack of latest information

Now and Then:
5 years of Lab Trend Report



Avalon's strategies, including automated policy enforcement, **curbed routine test spending.**

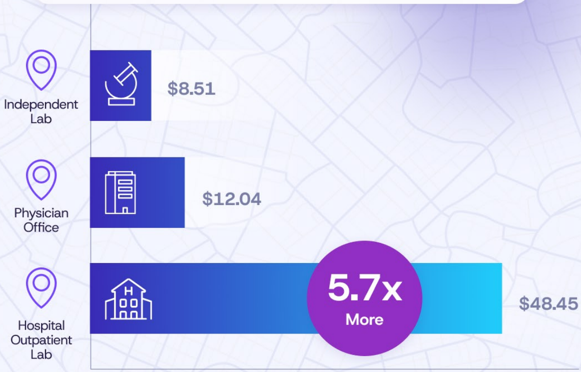
Effective cost management through **Avalon's genetic testing programs reduced overall spend.**



Same Test, Wildly Different Prices
Location Drives Cost

Site of services matters

The **top 10 high-volume codes** are **all higher** in hospital outpatient lab settings.



Basic Metabolic Panel (CPT 80053)

Averted costs attributed to Avalon's **automated policy enforcement** and **utilization management strategies** for both Routine and Genetic Testing Management programs

11%

averted cost savings for **Routine Test Management**

among **6M** members

37%

averted cost savings for **Genetic Test Management**

among **7M** members

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Smarter Testing. Better Care. **Measurable Value.**

Avalon clients saw just **1% total routine spend growth** over 5 years.

4.2x higher average spend per member on genetic testing vs. routine.

Genetic testing spend and utilization **increased by double digits.**

Avalon clients achieved **11-37% averted cost savings.**

Genetic and biomarker testing are rapidly shifting spend patterns.

Avalon's insights help to **manage lab testing.**

Access the full version of Avalon’s Lab Trend Report here.

As diagnostics evolve, so must the strategies to manage them. Avalon’s 2025 Lab Trend Report reveals how smarter testing can drive better outcomes, reduce waste, and prepare health plans for the future of personalized, value-based care.

To learn more about how Avalon's solutions can help your organization, get in touch with us at: avalon-insights@avalonhcs.com.

This information is based on Avalon’s 2025 Lab Trend Report. For deeper data and strategies, please visit **https://www.avalonhcs.com/2025-lab-trend-report/** for the full 2025 Lab Trend Report.