

6 Years of Lab Testing

How the Nation's Most Used Medical Benefit Keeps Outpacing Its Management

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

\$137B
value

The clinical laboratory testing market in the US was valued at ~\$137 billion in 2025.

9%
CAGR

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 clinical decisions influenced by lab results

90M lives managed by Avalon's lab benefit programs

10 new genetic tests introduced every day

175K+ genetic tests exist, with only ~500 CPT codes to cover them

50% of office visits include a lab test order

Lab testing touches nearly every patient encounter, yet it remains one of the least scrutinized line items in health care spending, even as the underlying market continues to expand at a rapid clip.

The Waste/Gap Problem: A System Pulling in Two Directions at Once

30%

of U.S. lab testing is avoidable waste

43%

of cancer patients* never receive tests prescribed for their therapies

Overuse and underuse aren't opposite problems — they're the same problem. Without active management, health plans pay for tests that add no value while members miss the tests that could change their care.

* 43% of non-small cell lung cancer patients prescribed biomarker-driven therapy never received the genetic test that should have guided it.

Spend Is Outrunning Utilization

Routine Testing: Spend Climbs Faster Than Use

More tests aren't driving the increase.

Broader test panels, price inflation, and where care happens are.

+3.7%
Spend

+0.5%
Utilization

2024

2025

Industry data projects routine testing spend to grow

5–7%
per year through 2033

Key challenges in managing routine testing:

- Overutilization vs. underutilization — both happening at once
- Lack of disease-specific clinical care pathways and standardized rules
- Limited awareness of appropriate test-ordering practices among providers
- The persistent “more testing = better care” mindset
- Limited data access and feedback loops to correct course

Genetic Testing: Growth Without Brakes

+35%
Spend

+22%
Utilization

2024

2025

Location Still Drives Cost: Same Test, Wildly Different Price

Hospital outpatient labs charge up to 6.8x more than independent labs for identical routine tests

Comprehensive Metabolic Panel (CPT 80053)

Complete Blood Count (CPT 85025)

\$13

\$91

6.8x
higher

Independent Lab

Hospital Outpatient

\$9

\$48

5.3x
higher

Independent Lab

Hospital Outpatient

Avalon's Impact Thoughtful Management Strategies Pay Off

\$63.1M

averted costs through Routine Test Management

9.3% relative savings across **6.5M+** members

\$70.3M

averted costs through Genetic Test Management

39.3% relative savings across **9.2M+** members

15.5%

of total lab spend averted plus an additional **10–15%** in lab behavior change benefit

What's Next: Three Forces Reshaping Lab Medicine

The Next Wave of Blood Biomarkers

MCED

Screens for multiple cancers from a single blood draw

MRD

Detects residual cancer cells after treatment

AD Blood Tests

Measures blood amyloid for Alzheimer's

AI Has Moved From Pilot to Production

1,450+

AI-enabled medical devices cleared by the FDA

1,500+

AI-related healthcare bills introduced

Consumers Are Generating Their Own Lab Data

230M+

people ask ChatGPT health and wellness questions weekly

1 in 5

Chatbot conversations involve personal symptom assessment

Wearables

Makers partner directly with lab networks to sell blood panels straight to consumers

The 2026 Lab Trend Report, in Six Takeaways



Lab testing is the **most-used, least-managed benefit** in health care.



Overuse and underuse are happening at the same time.



Spend is outpacing utilization in both routine and genetic testing.



Genetic testing is a **small slice of volume** but an **outsized share of cost**.



Where a **test is performed** matters as much as which test it is.



Active management delivers measurable savings.

