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LABORATORY ECONOMICS

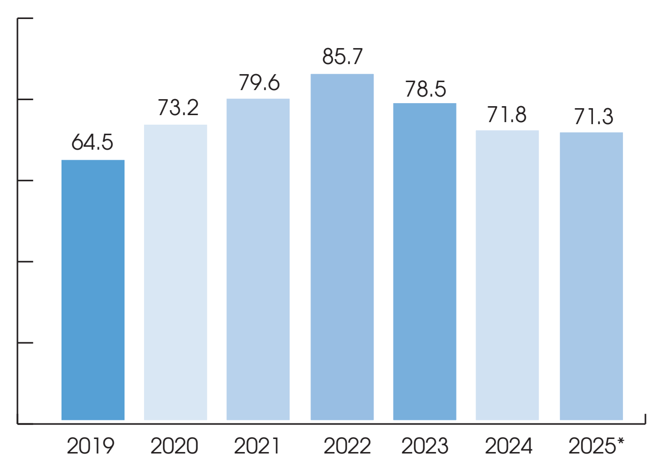
Competitive Market Analysis For Laboratory Management Decision Makers

How Will Trump's "Big Beautiful Bill" Impact Labs?

President Trump signed the One Big Beautiful Bill Act (H.R. 1) into law on July 4. The legislation contains some of the biggest changes to federal healthcare policy in a generation. It includes more than $1 trillion in healthcare spending cuts over 10 years, with the vast majority coming from Medicaid.

These cuts will hurt Medicaid-focused providers the most, including labs specializing in nursing homes, toxicology/drugs-of-abuse, women's health, and prenatal and newborn genetic screening for rare diseases.

National Medicaid Enrollment (in millions)



*As of March 31, 2025 Source: Kaiser Family Foundation and CMS

However, A.J. Rice, Healthcare Services Analyst at UBS, notes that most of the major changes do not come into effect until 2027 and 2028. He says this will give providers time to prepare and also opens the door for Congress to delay or amend the law in future years. *Full analysis on page 2.*

Lab Lobby Spending Likely to Hit Record; PAMA-Fix is Top Concern

Lab lobby spending is on track to reach a record $14+ million this year, according to data from OpenSecrets.org, which tracks lobbying and political contributions. The number one priority is introducing a new PAMA-fix bill to avert Medicare CLFS rate cuts scheduled to take effect January 1, 2026. A potential bill would also seek to ensure that all types of labs (especially hospitals) are accurately represented in the next private-payer lab payment survey. "We are working closely with the PAMA reform leads in the House and Senate who are planning introduction in the weeks ahead," according to ACLA President Susan Van Meter. *Full analysis on page 7.*

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HOW WILL TRUMP'S "BIG BEAUTIFUL BILL" IMPACT LABS? *(cont'd from page 1)*
Medicaid primarily serves low-income adults, families, children and pregnant women. The loosening of Medicaid eligibility restrictions during the pandemic led to a peak in enrollment of 87.4 million in April 2022, according to CMS. Medicaid enrollment has since dropped by 18% to 71.3 million.

The Congressional Budget Office (CBO) has estimated that enacting the Medicaid provisions in the Big Beautiful Bill will increase the number of people without health insurance by 7.8 million in 2034. Here's the CBO's breakdown of that number:

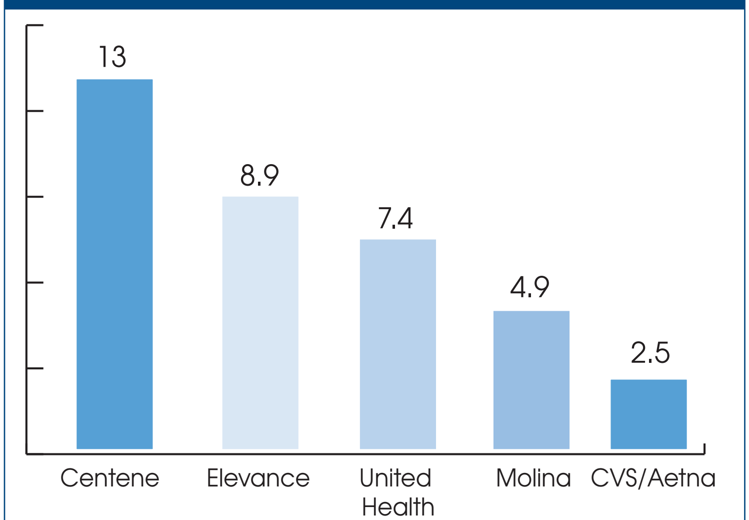
Medicaid work requirements are scheduled to begin on January 1, 2027. They require able-bodied adults (age 19-64) who have no dependents to spend at least 80 hours each month working, completing community service, participating in a work program, or enrolling in an educational program. The CBO estimates that these work requirements will increase the number of uninsured people by 4.8 million by 2034.

- Citizenship and immigration status requirements will eliminate Medicaid coverage for an estimated 1.4 million people.
- More frequent eligibility checks (shifting from annual to semi-annual reviews) will lead to 2.2 million people becoming uninsured.
- Adjustments for overlapping policies will reduce the estimated number of people without health insurance by 600,000 in 2034 because some people are affected by more than one policy.

UBS's Rice believes that the impact on providers should largely be manageable, as the population targeted by the new work rules (healthy working-age individuals) are not high utilizers of healthcare services.

Most Medicaid recipients are enrolled in managed care plans owned by commercial insurance companies. The biggest Medicaid managed care company is Centene Corp. (St. Louis, MO), which covered 13 million Medicaid members as of December 31, 2024. The next largest are Elevance Health (Indianapolis IN), 8.9 million, UnitedHealth (Eden Prairie MN), 7.4 million, Molina (Long Beach CA), 4.9 million, and CVS/Aetna (Woonsocket RI), 2.5 million. These companies may seek to lower their Medicaid lab fee schedules to compensate for declining membership.

Medicaid Managed Care Enrollment (in millions)



Source: *Laboratory Economics* from companies

Overall, the CBO estimates that the Big Beautiful Bill Act will reduce federal spending on healthcare by $1.124 trillion between 2025 and 2034. Despite these cuts the CBO estimates that federal government spending on Medicaid will still grow from $655.9 billion in 2025 to $860.5 billion in 2034, or an average of 3.1% per year.

Medicaid Cuts Could Hurt Nursing Home Labs

There are approximately 14,800 nursing homes in the United States providing care to 1.2 million people. Medicaid pays for more than half of all nursing home care. Therefore, Medicaid enrollment cuts could have a disproportionate effect on nursing homes and the specialized labs that serve their residents.

In particular, new citizenship requirements and more frequent eligibility checks (starting in 2027) could lower nursing home headcounts. This in turn could mean lower volumes and client billings for contracted nursing home labs.

Who is the Biggest Nursing Home Lab?
American Health Associates (AHA-Davie, FL) is the nation's largest nursing home lab as measured by its Medicare Part B allowed payments for HCPCS code G0471. This billing code is used specifically for labs providing phlebotomy services to Medicare beneficiaries in a nursing home or on behalf of a home health agency. AHA had 498,833 Medicare allowed services and $5.2 million allowed payments for G0471 in 2023 (the latest year of available data).

Top 12 Nursing Home Labs by Medicare Specimen Collection Payments* for 2023

Lab Company	*Location*	*Allowed Medicare Services for G0471*	*Total Allowed Medicare Payments*
American Health Associates	Florida, Massachusetts & Ohio	498,833	$5,158,960
Aculabs Inc.	East Brunswick, NJ	160,207	1,642,122
Centers Laboratory	New York and New Jersey	157,826	1,536,954
Northwell Health Laboratories	New Hyde Park, NY	123,366	1,278,072
TridentCare	Colorado, Nevada, Texas & Washington	116,953	1,211,434
NICL/Chicago Clinical Labs	Northbrook, IL	93,590	969,592
Eccolab Group	Miami, FL	88,287	816,655
Advanced Clinical Laboratories	Clermont, FL	76,077	788,059
Clinical Laboratory Services	Winder, GA	69,824	723,377
Core Analytics Laboratory	Canoga Park, CA	64,154	629,072
Lifescan Labs of Illinois	Skokie, IL	49,110	508,728
Vista Clinical Diagnostics	Danville, VA	45,609	471,854
Total for Top 12 Labs		1,543,836	15,734,877
Grand Total (all independent labs)		2,065,952	$21,009,031

*for G0471

Source: *Laboratory Economics* from Medicare Part B data for 2023

Big Beautiful Bill Act Includes 2.5% Physician Pay Hike

The final version of the One Big Beautiful Bill Act (H.R. 1) omitted a provision to tie future Medicare physician payments to an inflation index (see *LE*, June 2025). However, the final law does include a one-time 2.5% hike to the Medicare Physician Fee Schedule conversion factor for 2026. The 2.5% increase will be applied to both pathologist professional rates and pathology lab technical rates in 2026. "A temporary pay increase provides relief, but the CAP will continue advocating to stabilize and reform the Medicare payment system," according to a statement from the College of American Pathologists.

Caris Life Sciences Raises $494 Million in Upsized IPO

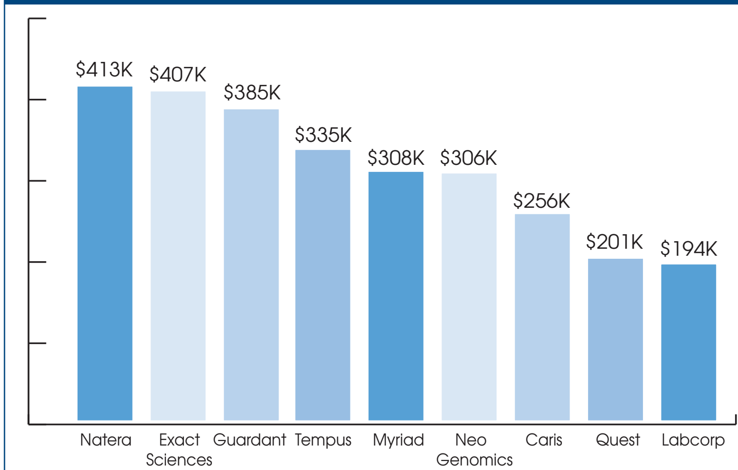
Caris Life Sciences (Irving, TX) completed its initial public offering (IPO) on June 18, raising over $494 million in gross proceeds. The company priced its IPO at $21 per share, above the initially proposed range of $16–$18. At the IPO price of $21 per share, Caris was valued at $5.9 billion.

After deducting sales commissions and IPO costs, Caris will receive net proceeds of approximately $452 million. Caris intends to use the IPO proceeds to expand marketing of its cancer tests, including its FDA-approved MI Cancer Seek companion diagnostic and tumor profiling test, as well as its Caris Assure liquid biopsy for therapy selection. (See also *Laboratory Economics*, June 2025.)

Caris reported a net loss of $248.7 million for the 12 months ending March 2025; revenue was $452.5 million. Caris has accumulated losses totaling $2.6 billion since being founded in 2008.

David Halbert, 69, Founder, Chairman and CEO, owns 124.9 million shares, or 45%, of Caris valued at $2.7 billion (at IPO price of $21 per share). Other large shareholders include Vice Chairman Brian Brille, 64, who owns 3.8 million shares valued at $79 million and President David Spetzler, PhD, 49, who owns 3 million shares valued at $63 million.

Comparison of Average Revenue per Employee (for 12 months ended March 31, 2025)*



*For full-time equivalents (part-time employees counted as ½ FTE)
Source: *Laboratory Economics* from company 10Qs and 10Ks

With 1,769 employees, Caris had average revenue per employee of $256,000 for the 12 months ended March 31, 2025.

Aegis Sciences Refinances $170 Million in Debt

Aegis Sciences (Nashville, TN) has successfully refinanced a ~$170 million term loan that matured in May 2025. The refinancing was advised by CoveView Advisors (Stamford, CT) and led by new debt investor Kayne Anderson (Houston, TX). Aegis, which has 700+ employees, specializes in toxicology and PCR-based testing. The company generated $690 million of revenue for the 12 months ended March 31, 2024, according to the credit rating agency S&P Global. Aegis is majority owned by the private equity investor Abry Partners (Boston, MA).

G3 Vision Labs Acquires Med Screen

G3 Vision Labs (Warren, NJ) acquired Med Screen Laboratories (Clifton, NJ) on May 16 for an undisclosed sum. Med Screen was founded by entrepreneur Ishrat Ilyas in 2018. Med Screen, which has 44 employees, operates a CLIA-certified lab in northern New Jersey that specializes in toxicology testing. G3 Vision Labs is a new holding company seeking to acquire independent clinical and anatomic pathology labs across the country. International Capital Partners (Oakland, NJ) is financially backing G3 Vision Labs.

Aegis Sciences Leads in Toxicology Testing

Aegis Sciences Corp. operates the nation's largest toxicology lab as measured by Medicare Part B carrier allowed payments for calendar year 2023 (the latest available data). Aegis received Medicare payments totaling $33.8 million for 217,670 test services for seven key toxicology codes (G0480-G0483 & 80305-80307) in 2023.

On a consolidated basis, Labcorp had total Medicare Part B allowed payments of $41.3 million at 33 lab locations. Quest Diagnostics had total Medicare Part B allowed payments of $31.6 million at 25 lab locations.

Over the five-year period (2018-2023), the fastest-growing toxicology labs were Patients Choice Labs of Indiana (Indianapolis) and Tribal Diagnostics (Oklahoma City)—each grew their Medicare Part B allowed payments by 24.3% per year.

Top 25 Toxicology Labs by Medicare Part B Carrier Allowed Payments for 2023*

Laboratory Name	*Location*	*Total Medicare Part B Services*	*Total Medicare Part B Allowed Amount for 2023*	*Medicare Part B Allowed Amount 5-Year CAGR***
Aegis Sciences Corp.	Nashville, TN	217,670	$33,751,016	-6.5%
Labcorp	Burlington, NC	213,215	26,992,647	-9.2%
Millennium Health	San Diego, CA	128,874	20,421,741	-13.6%
Precision Toxicology	San Diego, CA	81,299	13,842,283	2.2%
Labcorp	Rsrch Trngle Pk, NC	80,107	9,256,062	17.6%
Ethos Holding Corp	Newport, KY	50,038	6,806,512	-9.6%
Radeas LLC	Wake Forest, NC	35,113	6,167,191	0.5%
National Labs Inc	Hayward, CA	33,957	4,919,211	11.3%
Dominion Diagnostics	North Kingstown, RI	52,625	4,698,099	-11.8%
Accu Reference Medical Lab	Linden, NJ	28,042	4,627,446	4.5%
Medscan Laboratory Inc	Williston, ND	22,887	3,724,329	-7.7%
Quest Diagnostics	Tucker, GA	38,260	3,646,519	-5.4%
Quest Diagnostics	Marlborough, MA	36,276	3,316,909	7.6%
Quest/Unilab Corp.	Sacramento, CA	35,280	3,106,758	-2.6%
Paradigm Labs	Brunswick, GA	28,224	3,106,079	0.1%
Quest Diagnostics	Clifton, NJ	33,620	3,017,023	NA
Quest Diagnostics	Irving, TX	29,594	2,923,284	8.0%
Chabado Genomics Inc.	Torrance, CA	20,534	2,884,675	8.1%
Drugscan Inc.	Horsham, PA	29,118	2,819,385	-10.8%
Quest Diagnostics	Wood Dale, IL	29,937	2,744,464	-16.1%
Patients Choice Labs of Indiana	Indianapolis, IN	13,061	2,722,478	24.3%
Tribal Diagnostics	Oklahoma City, OK	16,871	2,681,025	24.3%
Regional Toxicology Services	Tacoma, WA	24,393	2,619,537	3.7%
Biotech Clinical Laboratories Inc.	Novi, MI	13,704	2,585,381	-5.9%
RHB Laboratories Inc.	Troy, MI	12,982	2,531,070	-9.3%
Top 25 Total		**1,305,681**	**$175,911,128**	**-5.1%**
Grand Total for All Part B Labs & Physicians		**4,674,532**	**$515,420,725**	**-10.5%**

*Medicare Part B Carrier allowed volume and payments for five toxicology codes (G0480-G0483 & 80305-80307) for calendar year 2023.
**Compound annual growth rate (CAGR) for Medicare Part B allowed payment for 2018-2023
Source: *Laboratory Economics* Toxicology Lab Database

Spotlight Interview with Acutis Diagnostics CEO Jibreel Sarij

Acutis Diagnostics (Hicksville, NY) is a specialty laboratory focused on toxicology and PCR-based infectious disease testing. Operating out of a 40,000-square-foot facility in Long Island, Acutis serves over 1,500 clients nationwide, primarily on the East Coast and the Midwest, and employs more than 250 people. Laboratory Economics recently spoke with CEO Jibreel Sarij to discuss Acutis's strategy and outlook.


Jibreel Sarij

What is your annual test volume?
Over the past decade, we've processed more than five million patient samples. Our test menu currently has over 200 analytes in clinical toxicology and more than 150 infectious disease targets. In particular, we are seeing strong growth in toxicology test volume, which doubled last year.

What makes Acutis different from other laboratories?
We focus on three core imperatives:
1. Proprietary, lab-developed tests: We prioritize tests where we have a true edge based on our specialized expertise and where our clients see true value in the difference.
2. Workflow integration and simplification: Our clients often face complex care environments, including busy substance-abuse treatment companies and high-throughput urgent care groups. We design our testing services and software to reduce their administrative burden and seamlessly fit into their workflows.
3. High-touch clinical support: We've built a team of scientists and clinicians—led by lab director Greg Hobbs, PhD—who provide real-time support as if they were an extension of our clients' care teams.

Do you have any new initiatives or expansions planned in the coming year?
Yes. One major focus is population health intelligence. We internally developed a data platform that allows our toxicology clients to benchmark treatment outcomes, monitor emerging drug trends and assess patient adherence across sites or against national datasets. In infectious disease, this same infrastructure enables real-time surveillance for antibiotic resistance patterns and seasonal pathogen trends.

How is the current economic backdrop affecting Acutis?
Inflation and reimbursement pressures have had a significant impact. Since 2020, input costs have risen nearly 40% as shown by CPI increases. Yet payer reimbursements have remained flat or even declined.

How is Acutis responding?
We've invested in automation across the lab to streamline processes and reduce costs. We also launched our own medical courier service to improve logistics while lowering expenses. In addition, we've built a high-performing offshore team based in Hyderabad, India, that handles administrative functions, including courier dispatch and technology. These moves help us maintain service excellence while managing rising costs.

What do you see as Acutis's biggest opportunity in the next five years?
We think there is going to be consolidation on two levels. Already we are seeing a consolidation of labs that provide routine testing. But there will also be further consolidation within the specialty segment. Over time we may consider adding other adjacent specialties.

What is your biggest challenge?
The most pressing challenge is the increasing burden of payer restrictions and policy changes. Another concern is the evolving Medicaid landscape. Many of our clients, especially addiction treatment centers, serve high volumes of Medicaid patients. These facilities operate on tight budgets, so cuts to Medicaid reimbursement are consequential.

LAB LOBBY SPENDING LIKELY TO HIT RECORD IN 2025 (*cont'd from page 1*)
Eighteen of the lab industry's largest trade organizations and companies have spent a total of $3.6 million on lobbying efforts year to date through March 31, 2025, according to data from OpenSecrets.org. Lab lobby spending is sure to accelerate after a new PAMA-fix bill is introduced to avert scheduled Medicare CLFS rate cuts for 2026 (see *LE*, June 2025). The hope is that a PAMA-fix can be attached to a larger healthcare bill expected at the end of the year. As a result, lab lobby spending could easily reach a record $14+ million in 2025.

Individually, **Labcorp** has spent the most ($810,000) on lobbying so far this year. Labcorp employs its own lobbyists and also contracts with several law firms including Akin Gump, Kelley Drye & Warren, and Parker Poe. Lobbying efforts have been directed at PAMA reform and the CLFS; federal policy relating to oversight of LDTs; and federal policy for Medicaid reimbursement for clinical lab tests.

The American Clinical Laboratory Assn. (ACLA) has spent $580,000 on lobbying through March 31, 2025. ACLA's lobby firms include Alston Bird, Covington & Burling and KDCR Partners. Lobbying efforts have been focused on PAMA reform and the CLFS.

Exact Sciences has spent $470,000 so far this year. Exact's lobbying firms include Alpine Group and Duberstein Group. Exact has focused its lobbying efforts on bills that would provide Medicare coverage of multi-cancer early detection screening tests (HR 2407/S 2085).

Quest Diagnostics has spent $410,000. Quest's lobbying firms include Federal Street Strategies, Nathanson & Hauck, and Tarplin Downs & Young. Lobbying efforts have been mostly directed at PAMA reform and the CLFS.

Lab Industry Lobby Spending

Organization	1Q2025	2024	2023	2022	2021
Labcorp	$810,000	$1,580,000	$2,110,000	$1,040,000	$1,630,000
American Clinical Laboratory Assn.	580,000	1,890,000	2,360,000	3,858,092	3,164,921
Exact Sciences	470,000	1,740,000	1,490,000	1,680,000	1,290,000
Quest Diagnostics	410,000	1,750,000	2,100,000	1,080,000	1,840,000
Myriad Genetics	290,000	1,160,000	1,100,000	970,000	770,000
Guardant Health	241,000	1,040,000	1,040,000	880,000	800,000
College of American Pathologists	217,590	717,436	566,952	464,889	477,040
Natera Inc.	140,000	156,000	84,500	188,000	123,000
CareDx	80,000	708,000	659,000	503,000	230,000
Foundation Medicine	80,000	410,000	360,000	380,000	590,000
Association for Molecular Pathology	70,500	282,000	290,000	269,000	248,000
Tempus AI	60,000	240,000	425,000	310,000	50,000
Coalition for 21st Century Medicine	50,000	275,000	390,000	520,000	552,500
American Society for Clinical Pathology	43,000	171,000	161,000	132,000	125,500
ARUP Laboratories	30,000	120,000	120,000	120,000	120,000
NeoGenomics	0	180,000	240,000	240,000	160,000
Opko/BioReference Labs	0	92,000	100,000	200,000	200,000
Sonic Healthcare	0	90,000	160,000	160,000	160,000
Total, 18 organizations	**$3,572,090**	**$12,601,436**	**$13,756,452**	**$12,994,981**	**$12,530,961**

Source: www.opensecrets.org

Supreme Court Upholds Coverage of Preventive Services

Preventive services under the Affordable Care Act (ACA) will continue to be covered without cost-sharing—at least for now. The Supreme Court ruled on June 27 that members of the U.S. Preventive Services Task Force (USPSTF) were properly appointed. A group of Christian employers and individuals had sought to overturn the requirement that insurers cover USPSTF-recommended preventive services (Kennedy v. Braidwood Management—see *LE*, May 2025).

Richard Hughes IV

Under the ACA, all services with a grade A or B from the USPSTF must be covered without cost-sharing. More than 100 million people receive these preventive services each year. The most commonly received services include vaccinations, well-woman and well-child visits and lab test screenings for heart disease, cervical cancer, diabetes and breast cancer. Preventive services also include Pre-Exposure Prophylaxis (PrEP), which prevents HIV transmission.

"This is a win for preventive care," says Richard Hughes IV, a partner with Epstein Becker & Green (Washington, DC). "Current services will remain in place."

The Supreme Court remanded the case back to the lower federal courts for further proceedings consistent with the decision. Hughes believes that while the lower courts might address the issues raised under the Religious Freedom Restoration Act, they are unlikely to touch the preventive services recommendations.

The lead plaintiff in this case was Braidwood Management (Katy, TX), a health and wellness center offering insurance coverage to its employees through a self-insured plan. Braidwood argued that the USPSTF recommendations were unconstitutional because the process used to appoint the task force members violated the Appointments Clause of the U.S. Constitution. That clause requires that principal federal officers be selected by the President and confirmed by the Senate. However, "inferior officers" who work under the principal officers do not have to go through this process.

When it first brought the case in the Northern District of Texas, the plaintiffs argued that they should not have to cover PrEP, claiming it encouraged "gay sex," which was against their religion.

The ruling, authored by Justice Brett Kavanaugh, holds that the task force members are inferior officers whose appointments are consistent with the Appointments Clause. The task force currently consists of 16 volunteer members appointed by the Secretary of Health and Human Services to staggered four-year terms.

Future of Preventive Care Uncertain

The Supreme Court's decision that the appointment of USPSTF members by the Secretary of Health and Human Services is constitutional means that the HHS Secretary is able to fire and replace members at will. So the future of the USPSTF panel depends on the proclivities of the current Secretary of Health and Human Services Robert Kennedy Jr.

"It remains to be seen what the secretary of HHS will do regarding the membership of the USPSTF," says Hughes. How Kennedy decides to use his newly clarified powers over the USPSTF could significantly impact future USPSTF policy recommendations.

Kennedy has already demonstrated a willingness to install unorthodox candidates on public health committees. And on July 7, he abruptly postponed a USPSTF meeting scheduled for July 10 that was set to discuss healthy diet, physical activity and other steps to prevent cardiovascular disease. HHS has not responded to questions about reasons for the postponement and when the meeting would be rescheduled.

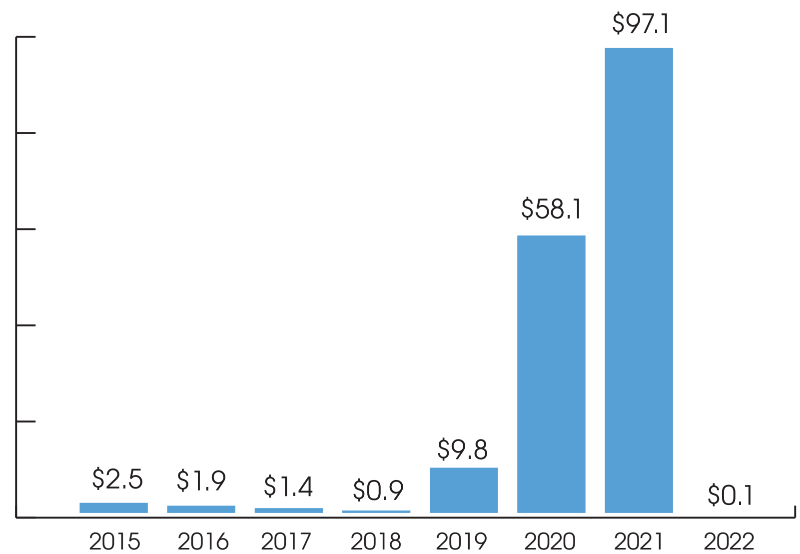
United States Files Lawsuit Against Telemedicine Physician

The U.S. Attorney Office in Delaware has filed a civil complaint under the False Claims Act against Shayasta S. Mufti, MD, a Delaware internal medicine doctor. The lawsuit alleges that she caused the submission of false claims to Medicare for medically unnecessary genetic tests.

In its complaint, the United States alleges that between April 2019 and November 2019, Mufti referred more than 100 Medicare beneficiaries for medically unnecessary genetic tests that were paid for by Medicare. Most of the genetic tests ordered by Mufti were performed by Landmark Diagnostics (Houston, TX), which is now closed. Last year, Landmark and its owner, Daniel Hurt, were excluded from the Medicare and Medicaid programs for 70 Years for allegedly submitting false claims and paying kickbacks to marketing companies and telemedicine providers. Hurt also agreed to pay over $27 million to resolve the allegations.

Mufti ordered the genetic tests, which often cost thousands of dollars per patient, while contracted with the telemedicine firm MySpecialistMD (Solon, OH). The United States alleges that Mufti had no medical relationship with the beneficiaries she referred for genetic testing, never examined them, and never used the test results to manage their medical conditions. Her referrals were based on brief telemedicine consultations and, in some instances, no consultation at all, according to the U.S. Attorney Office.

Medicare Payments to Landmark Diagnostics* ($ millions)



*Includes Landmark Diagnostics and affiliated lab companies (First Choice Laboratory and Sonoran Desert Pathology)
Source: *Laboratory Economics* from CMS

The original lawsuit against Landmark and Hurt was filed by whistleblower Robert Gerstein, who managed billing operations for Hurt. Gerstein will receive up to $4.7 million or 17% of the government's $27 million recovery.

The $27 million settlement paid by Hurt is a pittance compared with the $172 million that Landmark and two other affiliated labs owned by Hurt (First Choice Laboratory and Sonoran Desert Pathology) were paid by Medicare between 2015 and 2022.

23andMe Sold to Nonprofit Led by Founder Anne Wojcicki

A bankruptcy judge has approved the sale of the insolvent genetic testing firm 23andMe (San Francisco) to the nonprofit company TTAM Research Institute (Los Altos, CA) for $305 million. TTAM was founded by Anne Wojcicki, Co-Founder and former CEO of 23andMe. TTAM is the initials for Twenty Three And Me. The transaction is expected to close within a few weeks. Founded in 2006, 23andMe went public in 2021, but it never made a profit. In the 12 months ended March 31, 2025, 23andMe reported a net loss of $281 million on revenue of $190 million. Accumulated losses since inception are $2.5 billion.

Avalon 2025 Lab Trend Report Highlights Lab Test Pricing Differences

The newly released 2025 Lab Trend Report from Avalon Healthcare Solutions (Tampa, FL) found that a Comprehensive Metabolic Panel (CPT 80053) cost an average of $8.51 when performed at an independent lab versus $48.45 at a hospital outpatient lab, nearly six times more. Avalon, which provides lab benefit management services, used data from 18 million health plan members, a subset of Avalon's 44+ million managed lives. The Avalon data has serious implications for the next PAMA private-payer payment survey for labs, which is scheduled for January 1 to March 31, 2026 (using data from 2019).

Reimbursement Rate Comparison by Place of Service

CPT Code	Description	Medicare Rate	Independent Lab	Physician Office	Hospital Outpatient
80053	Comprehensive	$10.56	$8.51	$12.04	$48.45
80061	Lipid Panel	$13.39	$10.01	$15.07	$36.63
83036	Glycated	$9.71	$8.07	$11.66	$26.69

Source: Avalon Healthcare Solutions

Northwestern Medicine to Deploy PathAI System

Northwestern Medicine (Chicago) has announced plans to roll out PathAI's AISight digital pathology image management system to its 95 pathologists at 11 hospitals. Northwestern Medicine's flagship hospitals include Northwestern Memorial Hospital (973 beds) and Northwestern Medicine Central DuPage Hospital (390 beds). AISight will be used by Northwestern Medicine's pathologists to manage and interpret digitized slide images. In addition, PathAI scientists and Northwestern Medicine's pathology researchers will collaborate on studies examining new applications of AI in digital pathology (e.g., primary cancer diagnostics, quantifying biomarkers and discovering novel disease patterns).

Nursing Home Operator Genesis Files for Bankruptcy Reorganization

On July 9, Genesis Healthcare (Kennett Square, PA) filed for Chapter 11 bankruptcy reorganization in the U.S. Bankruptcy Court for the Northern District of Texas (Dallas). In its bankruptcy filing, Genesis said it has $708.5 million in secured liabilities and $800 million in unsecured debt.

Genesis operates 175 nursing and assisted-living facilities with 15,000 residents in 18 states and employs more than 27,000 workers. The company says that it will ensure staff will retain their positions, pay and benefits during the bankruptcy process.

Genesis had operated more than 500 facilities at its peak in 2016. The company says that it has struggled with post-pandemic challenges, legal costs from personal-injury and wrongful-death claims, and inadequate Medicaid reimbursement. As of last year, the company's revenue mix was 61% Medicaid, 17% Medicare and 13% commercial insurance.

ReGen Healthcare, a private investment entity that has already invested about $100 million into the company, has made a bid to purchase substantially all of Genesis's assets out of bankruptcy.

Florida Has the Fastest-Growing Lab Markets

A key component of lab test volume growth is population growth. Simply put, more people equal more lab testing. In terms of the fastest-growing MSAs, Wildwood-The Villages, FL is projected to grow its population by an average of 4.4% per year between 2024 and 2028, according to data from the U.S. Census Bureau and *Laboratory Economics' U.S. Laboratory Demographic Trends & Strategic Outlook: 2025-2028*. In fact, Florida has 12 MSAs included among the top 25 fastest-growing cities, including Lakeland-Winterhaven, Ocala, Port St. Lucie, Panama City, etc. Overall, the U.S. population is projected to grow by an average of 0.7% per year between 2024 and 2028.

Top 25 Fastest-Growing MSAs*

Metropolitan Statistical Area	*2028 Population*	*2024 Population*	*4-Year CAGR*
Wildwood-The Villages, FL	183,648	154,693	4.4%
Myrtle Beach-Conway-North Myrtle Beach, SC	483,048	413,391	4.0%
Lakeland-Winter Haven, FL	996,195	852,878	4.0%
St. George, UT	237,546	207,943	3.4%
Ocala, FL	487,356	428,905	3.2%
Port St. Lucie, FL	631,485	556,336	3.2%
Panama City-Panama City Beach, FL	256,063	226,221	3.1%
Wilmington, NC	542,998	480,522	3.1%
Punta Gorda, FL	239,317	212,122	3.1%
Provo-Orem-Lehi, UT	856,352	760,531	3.0%
Cape Coral-Fort Myers, FL	968,238	860,959	3.0%
Daphne-Fairhope-Foley, AL	293,421	261,608	2.9%
North Port-Bradenton-Sarasota, FL	1,043,254	934,956	2.8%
Greeley, CO	412,443	369,745	2.8%
Amherst Town-Northampton, MA	184,111	165,399	2.7%
Spartanburg, SC	439,623	395,934	2.7%
Austin-Round Rock, TX	2,828,280	2,550,637	2.6%
Sherman-Denison, TX	166,431	150,532	2.5%
Naples-Marco Island, FL	459,146	416,233	2.5%
Raleigh-Cary, NC	1,721,678	1,562,009	2.5%
Fayetteville-Springdale-Rogers, AR	666,902	605,615	2.4%
Homosassa Springs, FL	187,354	170,174	2.4%
Deltona-Daytona Beach-Ormond Beach, FL	814,077	739,516	2.4%
Boise City, ID	928,903	845,877	2.4%
Orlando-Kissimmee, FL	3,225,636	2,940,513	2.3%
Total for Top 25 Fastest-Growing MSAs	**19,253,507**	**17,263,249**	**2.8%**
United States	**349,239,647**	**340,110,988**	**0.7%**

*Includes all MSAs with a population of 100,000 or more
Source: U.S. Census Bureau and U.S. Laboratory Demographic Trends & Strategic Outlook: 2025-2028

Lab Stocks Down 1% YTD

Twenty-five lab stocks are down an unweighted average of 1% year to date through July 11. In comparison, the S&P 500 Index is up 6.7%. Adaptive Biotechnologies is up 97%, Exagen is up 70% and Tempus AI has jumped 68%. Quest Diagnostics is up 11% and Labcorp is up 9%. Caris Life Sciences is up 26% since completing its IPO on June 18.

Company (ticker)	Stock Price 7/11/25	Stock Price 12/31/24	2025 Price Change	Enterprise Value ($ millions)	Revenue for Trailing 12 mos. ($ millions)	Enterprise Value/ Revenue
Adaptive Biotechnologies (ADPT)	$11.82	$6.00	97%	$1,780	$190	9.4
Exagen (XGN)	6.99	4.10	70%	165	57	2.9
Tempus AI (TEM)	56.88	33.76	68%	10,490	803	13.1
Guardant Health (GH)	50.25	30.55	64%	6,830	774	8.8
23andMe (MEHCQ)	4.92	3.25	51%	105	190	0.6
Caris Life Sciences (CAI)	26.51	21.00	26%	10,000	452	22.1
Insight Molecular Diagnostics (IMDX)	2.86	2.38	20%	54	4	14.3
Quest Diagnostics (DGX)	168.09	150.86	11%	25,270	10,158	2.5
Personalis (PSNL)	6.37	5.78	10%	422	86	4.9
Labcorp (LH)	249.62	229.32	9%	27,120	13,177	2.1
GeneDx (WGS)	82.56	76.86	7%	2,310	330	7.0
Fulgent Genetics (FLGT)	19.27	18.47	4%	-224	292	NM
Natera (NTRA)	160.43	158.30	1%	21,110	1,831	11.5
Sonic Healthcare (SHL.AX)*	27.22	27.01	1%	17,710	9,330	1.9
CareDx (CDNA)	20.13	21.41	-6%	920	346	2.7
Exact Sciences (EXAS)	51.91	56.19	-8%	11,550	2,828	4.1
Opko Health (OPK)	1.35	1.47	-8%	1,130	689	1.6
Castle Biosciences (CSTL)	19.66	26.65	-26%	313	347	0.9
Veracyte (VCYT)	27.08	39.60	-32%	1,880	463	4.1
ProPhase Labs (PRPH)	0.42	0.76	-45%	32	6	5.4
NeoGenomics (NEO)	7.26	16.48	-56%	1,180	672	1.8
Myriad Genetics (MYGN)	5.34	13.71	-61%	558	831	0.7
Interpace Biosciences (IDXG)	0.80	2.70	-70%	7	48	0.1
Aspira Women's Hlth (AWH)	0.19	0.71	-73%	7	9	0.7
Biodesix (BDSX)	0.31	1.53	-80%	91	75	1.2
Totals & Averages			**-1%**	**$140,810**	**$43,990**	**3.2**

*Sonic Healthcare's figures are in Australian dollars

Source: *Laboratory Economics* from SeekingAlpha.com