Jondavid Klipp, Editor, jklipp@laboratoryeconomics.com Volume 20, No. 5 May 2025

LABORATORY ECONOMICS

Competitive Market Analysis For Laboratory Management Decision Makers

CBO Scoring Could Determine Fate of Medicare CLFS

Medicare Clinical Laboratory Fee Schedule (CLFS) reimbursement rates have been frozen for the past five years (2021-2025). This is largely because the Congressional Budget Office (CBO) had estimated that freezing the implementation of PAMA cuts and the next round of PAMA data reporting would save the federal government hundreds of millions of dollars over a ten-year period. However, the CBO is updating its forecasting model for the CLFS and as a result, another one-year freeze to CLFS rates in 2026 is far from guaranteed, according to Erin Morton, Washington Representative for the National Independent Laboratory Association and Partner at CRD Associates (Washington, DC). *Continued on page 2.*

SCOTUS Ruling in Preventive Services Lawsuit Hinges on Two Words

The future of preventive care under the Affordable Care Act (ACA) could come down to the Supreme Court's interpretation of two words ("independent" and "convene"), according to Richard Hughes IV, Partner with Epstein Becker & Green (Washington, DC). The high court on April 21 heard oral arguments in *Kennedy v. Braidwood* (see *LE*, February 2025).

The Supreme Court is expected to issue its decision in late June. The case has implications for screening tests that are covered under the ACA, including cholesterol and diabetes screening, as well as screening for sexually transmitted diseases and certain cancer tests. If the court rules that these screenings do not have to be covered at zero cost to patients, the number of people getting these tests would likely decline. *Continued on page 4.*

CMS Proposes $182 for Alzheimer's Blood Tests

CMS has released proposed 2026 Medicare rates for about 34 CPT codes, including four codes related to Alzheimer's testing. These are new codes CMS was unable to price in Fall 2024 by crosswalking to an existing test, so they are being "gapfilled" using median MAC rates for 2025. The proposed Medicare rates would pay labs $181.54 for a two-biomarker (CPT 82234 & 84393) Alzheimer's blood test. This is substantially higher than the $34.54 rate that Medicare had initially proposed last fall. Blood tests for Alzheimer's have the potential to become a big new market for laboratories. *Continued on page 5.*

Contents

CBO SCORING COULD DETERMINE FATE OF MEDICARE CLFS (*cont'd from page 1*)
The CBO prepares cost estimates (aka "scores") for nearly all bills reported by Congressional committees, helping Congress understand the financial implications of proposed legislation. Previously, the CBO's forecasting model had assumed that private insurance companies were adjusting the rates they pay for lab tests by annual inflation (as measured by the Consumer Price Index). Under this assumption, future PAMA private-payer payment surveys would result in higher Medicare CLFS rates. Consequently, the CBO estimated that freezing the implementation of PAMA would save money.

However, Morton says that the CBO has now realized that private insurance companies do not typically adjust their lab fee schedules for inflation. The CBO is now updating its forecasting model for estimating Medicare CLFS payments. As a result, delaying the implementation of PAMA in 2026 might not be scored to save money and thus it would be harder to pass into law.

This has raised the urgency of getting a new "PAMA-fix" bill introduced and passed into law as quickly as possible, notes Morton. The previous bill—Saving Access to Laboratory Services Act (SALSA)—would have ensured that all labs, especially highly reimbursed hospital labs, were fairly represented in future surveys used to formulate Medicare CLFS rates. SALSA had support from both Democrats and Republicans in both the Senate and House. However, the CBO had scored SALSA to cost $6 billion, and it failed to get passed into law as part of a broader spending package last year (see *LE*, October 2024).

The American Clinical Laboratory Association (ACLA) is currently working to draft a new PAMA-fix bill. ACLA is aiming to introduce a new bill within the next few weeks (see *LE*, March 2025). Speed is important because it will take time to educate and build support from Senators, House members and their staff. The goal is to get a PAMA-fix inserted into a year-end spending package this fall.

The key is to ensure that the next PAMA private-payment survey includes data from all labs. The challenge is to craft a bill that is simple to understand and can obtain a reasonable cost estimate from CBO, explains Morton.

Support for a new PAMA-fix bill is expected to come from Senator Thom Tillis (R-NC) and from Reps. Brian Fitzpatrick (R-PA), Gus Bilirakis (R-FL) and Richard Hudson (R-NC).

Without new legislation, the next phase of PAMA will take effect Jan. 1, 2026. This would include Medicare CLFS rate cuts of up to 15% for approximately 800 lab tests. In addition, independent labs, hospital outreach labs and POLs will be required to report their private-payer payment data from 2019 to CMS by March 31, 2026. This data will be used to calculate Medicare CLFS rates in 2027-2029.

Medicare CLFS Outlook Under Current PAMA Schedule

Year	Based on PAMA Lab Survey Period	PAMA Rate Reduction Cap
2018	January 1, 2016 - June 30, 2016	-10%
2019	January 1, 2016 - June 30, 2016	-10%
2020	January 1, 2016 - June 30, 2016	-10%
2021 - 2025	CLFS Rate Freeze	0%
2026	January 1, 2019 - June 30, 2016	-15%
2027	January 1, 2019 - June 30, 2019	-15%
2028	January 1, 2019 - June 30, 2019	-15%

Source: CMS

Digital Pathology Startup OnePath on Track for 50% Growth

OnePath Diagnostics (Jacksonville, FL) was founded by two pathology lab entrepreneurs, Westley Bernhardt and Gary Davis, in late 2021. OnePath has operated as a 100% digital pathology lab since it gained its CLIA certificate and began processing specimens in early 2022. The lab company is on track to record 50% growth in case volume this year. Below we summarize our interview with Managing Partner Westley Bernhardt.

Westley Bernhardt

Can you describe the backgrounds of the two Managing Partners?
After working 10 years in the health insurance business, I joined my late father (Harvey Bernhardt, MD), at his lab company, Bernhardt Laboratories, in 2003. I helped expand Berhardt Labs throughout Florida. Berhardt Labs was sold to Aurora Diagnostics in 2009, and Aurora was then acquired by Sonic Healthcare USA in 2019. I was Vice President of Aurora's Southeast Division (400 employees/30 pathologists) until late 2021.

Gary Davis is a former Vice President of Marketing at AmeriPath and Vice President of Dermatology Sales at Aurora Diagnostics.

How big is OnePath?
We operate a 5,200-square-foot histology lab and office in Jacksonville as well as a smaller satellite lab in Tampa. We've got a total of 30 employees focused on preparing slides and scanning. Gary and I are mainly concentrated on insurance contracts and sales and marketing.

How much volume are you currently processing?
We are currently scanning 2,000 slides per day (including routine slides, IHC and special stains). Our goal is to reach an average total of 3,000 scanned slides per day by the end of the year. About 55% of our slide volume is from dermatology cases, 40% from GI cases and 5% from breast cancer. We're also in the process of adding prostate biopsies to our case mix.

Which type of scanners and image management software do you use?
We started with 3DHistech's Pannoramic 1000 DX, then added Leica's Aperio GT 450 DX as well as a Grundium Ocus 20x portable scanner. We also recently installed an Epredia E1000 Dx scanner at our Tampa lab. Overall, our estimated cost to scan a slide, including labor, scanner, IMS and storage, is less than $3 per slide—economies of scale play a big role in lowering costs.

We use Lumea for image management and storage. The key here is having an IMS that allows pathologists, especially high-volume dermatopathologists, to manipulate and read digitized images as fast or faster than they can using a traditional microscope.

How do you handle professional interpretations?
We currently contract with 12 pathologists (full time and part time) on a 1099 basis for professional services. All of our pathologists work remotely from around the country with many working evenings at home for extra income. OnePath bills globally (TC & PC) to Medicare and private insurance and pays contracted pathologists a professional fee for each case they interpret.

Are payers reimbursing labs for digitizing slides?
Up until around mid-2023, Florida MAC First Coast had been reimbursing about $20 per CPT 88305 for digitizing slides through the add-on code 0753T. On the private insurance side, we see some payers reimbursing for digital pathology and others that do not.

Is OnePath utilizing AI?
Right now, we're using AI-guided robotics to accession specimens and for grossing (specimen pictures and measurements).

SCOTUS RULING IN PREVENTIVE SERVICES LAWSUIT (*cont'd from page 1*)
The plaintiffs, four individuals and two Christian-based businesses in Texas, had argued that covering contraceptives and pre-exposure prophylaxis to reduce the likelihood of getting HIV infection violated their beliefs under the Religious Freedom Restoration Act (RFRA).

The plaintiffs also argued that the U.S. Preventive Services Task Force's role violates the Constitution's Appointments Clause because it is set up as an independent body, but is effectively responsible for determining preventive health coverage for over 150 million Americans, says Hughes. Essentially, this argument would mean the task force members would have to be confirmed by the Senate.


Richard Hughes IV

While Hughes said he left the high court on April 21 feeling optimistic about the preventive services provision being upheld, an order from the court a few days later requesting an additional briefing dimmed his optimism.

Interpretation of 'Independent' and 'Convene'
"I expected the court would focus on whether the task force has too much statutory independence, that a majority would find that it did, but then save the law by 'severing' the problematic language as it had in previous similar cases," says Hughes. "But severability was cast aside as the justices zeroed in on the interpretation of two words: 'independent' and 'convene.' Their questions from the bench revealed not only the polar opposite views of the left- and right-leaning justices but also a hint of how the key justices might vote."

According to Hughes, Justices Amy Coney Barrett and Brett Kavanaugh appeared ready to uphold the law. Coney Barrett's focus on the scope of the word "independent" was particularly revealing as she questioned the challengers' very "maximalist" view that the word equates to complete isolation from political oversight.

Kavanaugh also seemed in favor of upholding the task force's role, noting that he does not see indicators that the task force is more powerful than the secretary of Health and Human Services or the President in "terms of how these recommendations are going to affect the health care industry." However, the justices may find greater difficulty with the secretary's authority to "convene" the task force and whether that word actually vests in him the authority to appoint its members.

On April 25, the court ordered a supplemental briefing on whether Congress vested the HHS secretary with the authority to appoint task force members. Specifically, it asked the parties to address the relevance of two prior cases: *U.S. v. Hartwell* (1867) and *U.S. v. Smith* (1888).

"The focus on these seemingly ancient but constitutionally precedential cases would indicate the court is seriously grappling with whether the secretary must have explicit appointment authority for the task force to survive the challenge," says Hughes. Kavanaugh and Coney Barrett will be key to the opinion.

Two Plausible Outcomes
The Supreme Court is expected to issue its decision in late June. If the court decides appointment author-

ity is lacking, the ACA requirement could be in significantly greater jeopardy than initially perceived during oral arguments, says Hughes. He envisions two plausible outcomes.

In the first outcome, the task force role is upheld. This would require a two-vote combination of Roberts, Kavanaugh or Coney Barrett agreeing the secretary has appointment authority.

"Even so, the court could possibly determine the task force members were not lawfully appointed until then-HHS Secretary Xavier Becerra stepped in to reappoint its members in 2023," explains Hughes. "This raises doubt as to whether its recommendation in the 2010-2023 period (including for colonoscopies and HIV prevention) remain subject to mandatory coverage."

The court may refrain from deciding that question itself and send it back to the 5th Circuit. In the meantime, the law would remain in effect, and it would be incumbent on the Trump (or a future) administration to move quickly at some future date to revalidate the task force's 2010-2023 recommendations, says Hughes.

The second possibility is that the court may conclude that there is no secretarial appointment authority and that the task force has no authority without Senate confirmation. This would effectively overturn the coverage mandate and place the onus on Congress to either provide Senate confirmation or garner bipartisan support to repair the statute's flaws and reinstate mandatory coverage of all recommendations made since the ACA's passage, explains Hughes.

"If the law is struck down or any ambiguity is left surrounding its validity, coverage and access is at risk…," according to Hughes.

CMS PROPOSES $182 FOR ALZHEIMER'S BLOOD TESTS (*cont'd from page 1*)

The new Alzheimer's tests are being suggested for use in patients age 55 and older who present with cognitive impairment and who are being evaluated for Alzheimer's disease.

Despite the increase in the proposed rates, some IVD vendors and labs are lobbying for a bigger increase ($260 for a two-marker test). They say that blood samples are harder for labs to test than existing cerebral spinal fluid (CSF) methods. This is because AD-related blood samples are not durable and are not target rich thus requiring highly sensitive immunoassay or mass spectrometry analyzers and additional specimen processing and storage for accurate results.

The comment period on the proposed rates ends June 28. CMS will announce its final 2026 Medicare rates in late September.

Examples of Alzheimer's Blood Tests

Laboratory	Test Name	Status	Test Code	Medicare Rate
ARUP Laboratories	Phospho-Tau 217	LDT	84393	$88.37*
C2N Diagnostics (Washington University)	PrecivityAD	LDT	PLA 0412U	$750.00
C2N Diagnostics (Washington University)	PrecivityAD2	LDT	PLA 0503U	$750.00
Labcorp	ATN Profile (Beta Amyloid 42/40 Ratio)	LDT	82234 & 84393	$181.54*
Mayo Clinic Labs	Phospho-Tau 217	LDT	84393	$88.37*
Quest Diagnostics	AD-Detect	LDT	82233 & 82234	$186.34*

*Based on proposed national Medicare rates for 2026
Source: *Laboratory Economics* from CMS and lab companies

Labcorp Acquires NMHS Outreach Lab Business

Labcorp has acquired the clinical lab outreach testing business of North Mississippi Health Services (NMHS-Tupelo, MS) for an undisclosed sum. Labcorp has also become a primary reference testing lab for NMHS's seven hospitals.

NMHS has seven hospitals and more than 70 clinics that serve 24 counties in north Mississippi and northwest Alabama. Its clinical lab outreach testing business is based at its flagship hospital, North Mississippi Medical Center in Tupelo. *Laboratory Economics* estimates that the NMHS had generated roughly $18 million per year in revenue from clinical lab outreach testing.

Labcorp says that the acquired outreach testing will move to its regional lab in Birmingham, Alabama—approximately 136 miles southeast of Tupelo. In addition, Labcorp will open three new patient service centers in north Mississippi (Tupelo, West Point and Amory) by mid-year.

North Mississippi Health Services

Hospital/Location	Total Staffed Beds	Total Laboratory Outpatient Charges for 2023	Medicare CLFS Payments for 2023	Est'd Clinical Lab Outreach Revenue*
North Mississippi Medical Center (Tupelo, MS)	536	$118,927,771	$1,511,268	$10,578,876
North Mississippi Medical Center (Eupora, MS)	38	6,222,163	280,225	1,961,575
North Mississippi Medical Center (West Point, MS)	49	15,361,034	229,782	1,608,474
North Mississippi Medical Center (Iuka, MS)	48	5,404,233	209,664	1,467,648
North Mississippi Medical Center (Hamilton, AL)	115	6,631,484	199,520	1,396,640
North Mississippi Medical Center Gilmore (Amory, MS)	95	10,128,444	130,335	912,345
NMMC Women's Hospital (Tupelo, MS)	34	0	0	0
Grand Totals	915	$162,675,129	$2,560,794	$17,925,558

*Assumes that Medicare CLFS payments represent 14% of total clinical lab outreach business
Source: *Laboratory Economics* Hospital Outreach Laboratory Database

Labcorp to Buy Technical Labs from Incyte Diagnostics

Incyte Diagnostics (Spokane Valley, WA) has agreed to sell its clinical and anatomic pathology lab assets to Labcorp for an undisclosed sum. The lab assets being sold include Incyte's two labs (clinical and AP) in Spokane Valley and its labs in Tukwila and Richland, WA, and Missoula, MT.

Jon Rittenbach, MD, Chairman of Incyte, says that Incyte will remain an independent professional group that interprets tissue samples, while Labcorp will take over tissue processing and slide preparation services as well as clinical lab testing.

Incyte is a pathologist-owned company that was formed in 1957. Incyte has more than 300 employees, including approximately 45 pathologists, that provide service in Alaska, Idaho, Montana, Oregon and Washington.

Incyte had grown to become one of the largest independent labs in the northwest through a series of acquisitions completed between 2011-2017. These included the acquisitions of Davis-Sameh-Meeker Labs (2012), Eastside Pathology (2012), Medical Center Laboratory (2014), Accupath Laboratory (2014) and Blue Mountain Pathology (2017).

Labcorp gained its presence in Spokane through the acquisition of Pathology Associates Medical Laboratories (PAML) in 2017.

Q&A With Tribal Diagnostics CEO Cory Littlepage

Tribal Diagnostics (Oklahoma City, OK) has expanded into a new 25,000-square-foot lab. The lab currently employs about 200 people, almost 10 times more than in 2019 when *LE* last featured the company. Here's a summary of our latest interview with CEO Cory Littlepage.

Cory Littlepage

How many tests do you perform each year?
We performed around 3 million tests last year, and we expect to do around 4-5 million this year. We have a passion for underserved areas, particularly the Native American population which accounts for roughly 5% of our total volume.

How many clinics do you support?
We support thousands of providers, including 697 healthcare clinics. We partner with about two dozen tribal entities, including Indian Health Services facilities, Tribal facilities and Urban Indian clinics. Indian Country healthcare is tricky, but we know it, arguably, better than anyone.

Which geographic areas do you serve?
We have one brick and mortar facility – a new 25,000-square-foot lab in Oklahoma City that replaced our old 5,000-square-foot lab. We also have draw sites in Tulsa and New Braunfels (near San Antonio). About 98% of our business is in Oklahoma, Texas and most recently Louisiana. I see a path for expansion in congruent states like New Mexico, Kansas and Missouri in the next couple of years.

What's in the new lab in Oklahoma City in terms of automation?
We are in the process of implementing digital hematology from CellaVision – we are finishing up validation right now. We also plan to implement technology to automate our front-end data entry and accessioning processes. For our analyzers, we use primarily Abbott, Sysmex, Carolina Chemistry, Thermo and Agilent.

What are new tests that have been added to your menu recently?
In 2016, we started with a focus on toxicology, but we have since become a full-service laboratory, so we have added hundreds of tests in chemistry, hematology, STD testing, women's health, heart health and diabetes. We now have a total of approximately 1,000 tests on our menu. Send outs account for less than 2% of our volume and our reference lab remains Sonic's Clinical Pathology Labs.

Are you having any problems with staffing or with your supply chain?
No, we're fortunate that we have not had difficulty finding employees, and our staff turnover is less than 10%. I do worry about our supply chain, though, including the cost of supplies. Costs have gone up, but because our volume has increased, we have more leverage with vendors to try to keep costs down.

What is your biggest challenge?
Margin pressures and reimbursement are always tough. Operating expenses and labor costs have increased. But we've been able to grow through it. We have shown double-digit growth every year, which has allowed us to consolidate vendors and leverage technology.

What is your biggest opportunity?
There is a need and opportunity for us to do more work with government agencies such as the Veterans Administration, Department of Defense and Indian Health Services. We are also looking to expand in the areas of heart health and colon cancer screening. We currently offer fewer than five in-home test kits, but in the STD space, there's a lot we can do and we are validating several additional tests.

Pathologist Per Diems Now at $4,000 in Some Markets

Anecdotally, Vivek Khare, MD, Chairman of Delta Pathology (Shreveport, LA), reports that "Recruitment firms are now charging $4,000 per day per pathologist to hospitals in need of locum coverage—9-5 workday with 25-30 routine cases—in our catchment area of Louisiana, Northeast Texas and New Mexico." In spite of these rates, Khare says that these firms are having difficulty finding pathologists, and some facilities have vacancies lasting six months or more. The pathologist shortage is increasing TAT from a historic two-day TAT to a 14-day TAT, prompting some surgeons, gastroenterologists, and radiologists to move procedures to hospitals with better pathology service levels.

"I frequently tell my younger partners that I wish I were starting my career instead of being at its tail end. We are living in unprecedented times in which healthcare systems are realizing the value of point-of-service pathology and the downstream impacts of poor pathology staffing to length of stay and time to appropriate therapy," notes Khare.

Despite the shortage, Delta Pathology, which employs a total of about 50 pathologists, has been able to hire nine pathologists in the past 12 months. Khare says that Delta's lag time to sign a new employment contract with a candidate has averaged 45 days after posting the ad.

In terms of broader trends, Rich Cornell, President of the pathologist recruiting firm Santé Consulting (Ellisville, MO), says that he's currently seeing academic medical centers offer first-year assistant professors salary ranges of $260,000 to $310,000, in addition to benefits. Associate professors are typically seeing salaries between $280,000 and $340,000.

Pathology groups and commercial labs are offering pathologists a broader range, from $300,000 to $400,000 based on experience, with an average around $350,000. Newly trained fellows are receiving offers between $275,000 and $360,000, according to Cornell

While standard benefits packages remain common, Cornell notes an increase in vacation time, now averaging six weeks, in addition to sick leave, holidays, and CME allowances. Relocation packages average around $15,000, and signing bonuses average approximately $20,000, with some reaching as high as $100,000, he adds.

Pathologist Compensation Climbs by 8% to $395,000

Average pathologist compensation (salary & bonus) increased by a strong 8% to $395,000 in 2024, according to the Medscape Physician Compensation Report for 2025. Over the past five years (2019-2024), pathologist compensation has risen by an average of 4.4% per year. The latest Medscape Survey was completed by 7,322 physicians, including approximately 150 pathologists, between October 2024 and January 2025.

Sample of Average Physician Compensation by Specialty ($000)

Specialty	2024	2023	2022	2021	2020	2019	5-Year CAGR
Radiology	$520	$498	$483	$437	$413	$427	4.0%
Plastic Surgery	$516	$536	$619	$576	$526	$479	1.5%
Gastroenterology	$495	$512	$501	$453	$406	$419	3.4%
Urology	$485	$515	$506	$461	$427	$417	3.1%
Dermatology	$424	$479	$443	$438	$411	$394	1.5%
Pathology	$395	$366	$339	$334	$316	$318	4.4%
Family Medicine	$276	$272	$255	$255	$236	$234	3.4%

Source: Medscape Physician Compensation Reports for 2020-2025

Public Lab CEOs Paid Average of $8 Million in 2024

The top executives at 23 publicly traded lab companies were paid an average of $8 million each last year, according to shareholder proxy statements. Altogether, the 23 executives earned a total of $185 million, including $151 million from stock and option awards.

The highest paid lab executive was **Eric Lefkofsky**, 55, Chairman and CEO of **Tempus AI** (Chicago, IL). Lefkofsky received a total compensation of $28.6 million, including zero salary, $800,000 bonus and just under $28 million from stock awards. Tempus reported a net loss of $746 million on revenue of $693 million in 2024.

The next highest paid executive was **Adam Schechter**, 60, at **Labcorp** (Burlington, NC). Schechter received a salary of $1.4 million, $15.2 million from stock and option awards, $2.1 million from bonus and incentives and $619,225 from all other compensation for a total pay package of $19.3 million. Labcorp reported net income of $746 million on revenue of $13 billion in 2024.

Kevin Conroy, 59, Chairman and CEO of **Exact Sciences** (Madison, WI). Conroy received a total compensation of $15.5 million, including a salary of $1.1 million, $712,329 from non-equity incentives, and $13.5 million from stock awards. Exact Sciences reported a net loss of $1 billion on revenue of $2.8 billion in 2024.

James Davis, 62 Chairman and CEO of **Quest Diagnostics** (Secaucus, NJ) earned a total of $14.4 million. Davis received a salary of $1.3 million, stock and option awards totaling $11.1 million, $1.8 million from non-equity incentives, and $260,258 in other compensation. Quest reported net income of $871 million on revenue of $9.9 billion in 2024.

Paul Diaz, 63, President and CEO at **Myriad Genetics** (Salt Lake City, UT) earned a total of $13.6 million, including salary of $1.1 million, bonus and incentives of $1.4 million and stock and option awards of $11.1 million. Myriad reported a net loss of $127 million on revenue of $838 million in 2024.

$85K Median Employee Compensation

Data from six of the largest publicly traded lab companies shows they paid their median employees an average of $84,955 in 2024. Employee compensation has seen an average 4.8% increase per year between 2019-2024. The highest paid median employee belongs to Exact Sciences, whose median employee earned $142,608, followed by Myriad Genetics at $107,378. Quest Diagnostics paid its median employee $59,575 in 2024 and Labcorp's median employee took home $57,316.

Median Employee Compensation at Six Big Labs

Company	2024	2023	2022	2021	2020	2019	5-Yr CAGR
Exact Sciences	$142,608	$145,325	$135,992	$128,893	$110,616	$113,869	4.6%
Myriad Genetics	107,378	116,418	89,911	74,021	89,031	77,814	6.7%
NeoGenomics	97,169	89,324	82,000	74,000	76,844	74,903	5.3%
Quest Diagnostics	59,575	68,163	63,854	67,206	71,645	53,492	2.2%
Labcorp	57,316	61,201	56,191	57,614	41,670	41,834	6.5%
Opko Health	45,683	44,158	43,798	41,879	42,848	41,445	2.0%
Averages for 6 lab cos.	$84,955	$87,432	78,624	$73,936	$72,109	$67,226	4.8%

Source: *Laboratory Economics* from company proxy statements

2024 Public Laboratory CEO Compensation

Company/Executive	Salary	Bonus & Incentives	Value of Stock & Option Awards	Other Comp*	Total Compensation
Adaptive Biotechnologies					
Chad Robbins, 50, Chairman & CEO	$677,918	$573,628	$3,716,313	$5,442	$4,973,301
Aspira Women's Health					
Nicole Sandford, 54, former President, CEO	466,667	135,000	247,520	393,093	1,242,280
Biodesix					
Scott Hutton, 53, President & CEO	588,858	223,604	1,271,161	1,250	2,084,873
CareDx Inc.					
John Hanna, 45, President & CEO	454,327	960,577	8,001,024	8,401	9,424,329
Castle Biosciences					
Derek J. Maetzold, 63, President & CEO	715,572	921,657	5,283,595	20,250	6,941,074
Exact Sciences					
Kevin Conroy, 59, Chairman & CEO	1,083,368	712,329	13,496,138	247,543	15,539,378
Exagen					
John Aballi, 40, President and CEO	525,000	288,750	353,500	17,250	1,184,500
Fulgent Genetics					
Ming Hsieh, 69, Chairman & CEO	1,000,000	1,128,000	4,000,000	0	6,128,000
GeneDx					
Katherine Stueland, 49, CEO	675,000	950,000	2,796,800	0	4,421,800
Guardant Health					
Helmy Eltoukhy, 46, PhD, Chairman and Co-CEO	1	0	11,600,028	13,421	11,613,450
Interpace Biosciences					
Thomas W Burnell, 63, President & CEO	456,458	184,250	0	17,022	657,730
Labcorp					
Adam Schechter, 60, Chairman & CEO	1,416,077	2,113,816	15,178,236	619,225	19,327,354
Myriad Genetics					
Paul Diaz, 63, President & CEO	1,120,875	1,356,750	11,113,514	39,461	13,630,600
Natera Inc.					
Steve Chapman, 46, President & CEO	799,948	938,352	11,284,474	9,900	13,032,674
NeoGenomics					
Christopher Smith, 62, former CEO	1,036,539	1,590,750	8,697,398	13,800	11,338,487
Oncocyte Corp.					
Joshua Riggs, 43, President & CEO	385,018	166,400	209,709	24,950	786,077
Opko Health Inc.					
Phillip Frost, MD, 88, Chairman & CEO	960,000	480,000	710,000	13,800	2,163,800
Personalis					
Christopher Hall, 56, President & CEO	587,500	423,000	522,460	3,000	1,535,960
ProPhase Labs					
Ted Karkus, 65, CEO	675,000	200,000	1,220,000	28,200	2,123,200
Quest Diagnostics					
James E. Davis, 62, Chairman & CEO	1,250,000	1,811,250	11,083,354	260,258	14,404,862
Tempus AI					
Eric Lefkofsky, 55, Chairman & CEO	0	800,000	27,750,000	5,040	28,555,040
Veracyte Inc.					
Marc Stapley, 55, Chief Executive	675,000	1,012,500	5,125,868	3,000	6,816,368
23andMe					
Anne Wojcicki, 50, former Chairman & CEO	65,000	0	7,298,723	0	7,363,723
Totals, 23 executives	**$15,614,126**	**$16,970,613**	**$150,959,815**	**$1,744,306**	**$185,288,860**
Averages, 23 executives	**$678,875**	**$737,853**	**$6,563,470**	**$75,839**	**$8,056,037**

*Other compensation includes reimbursement for financial planning services, car allowance, personal liability insurance premiums, executive physical exams, home security systems, country club memberships, personal use of company jets and other perks.

Source: *Laboratory Economics* from company proxy statements

Tempus AI at the Top of America's Fastest Growing Labs

Tempus AI (Chicago, IL) was the fastest growing lab from 2018-2023 based on the newly released Medicare Part B payment data for 2023. Tempus AI's Medicare Part B allowed payments jumped from $1.9 million in 2018 to $133 million in 2023 for a compound annual growth rate (CAGR) of 133%. Tempus AI, which had an IPO in June 2024, specializes in next-gen sequencing and PCR-based testing.

Orchard Laboratories (West Bloomfield, MI) received $53.5 million in Part B allowed payments in 2023, an increase of 84% per year from $2.6 million in 2018. The overwhelming majority of Orchard's test volume came from code K1034 (Covid test self-admin/collection) in 2023.

Enigma Management Corp/Alliance Laboratory (Brooklyn, NY) received $28.3 million from Medicare Part B allowed payments in 2023, an increase of 80% per year from $1.5 million in 2018. Enigma's highest volume service was also for the distribution of self-administered rapid Covid tests (K1034).

Top 25 Fastest-Growing Labs by Medicare Part B Carrier Payments*

Laboratory Name	City & State	2023 Part B Allowed Payment	2018 Part B Allowed Payment	5-Year CAGR
Tempus AI	Chicago, IL	$132,974,560	$1,935,385	133.0%
Orchard Laboratories Corp.	West Bloomfield, MI	53,470,576	2,556,284	83.7%
Enigma Management Corp.	Brooklyn, NY	28,299,137	1,487,960	80.2%
Guardant Health	Redwood City, CA	174,528,732	9,439,245	79.2%
Veracyte Labs	San Diego, CA	75,964,557	4,691,265	74.5%
Biological Laboratory	Pomona, CA	19,514,182	2,998,499	45.4%
Castle Biosciences	Phoenix, AZ	70,942,177	11,603,879	43.6%
Biotheranostics	San Diego, CA	38,417,542	8,246,146	36.0%
Cirrus Dx Inc.	Rockville, MD	7,795,872	1,700,092	35.6%
RCA Laboratory Services	Glen Allen, VA	5,277,425	1,179,207	34.9%
Concord Life Sciences	Houston, TX	9,625,064	2,265,802	33.5%
Sherman Abrams Laboratory	Brooklyn, NY	8,018,468	2,121,260	30.5%
Brookside Clinical Laboratory	Aston, PA	10,589,656	2,815,664	30.3%
Caris MPI	Phoenix, AZ	100,717,740	27,791,597	29.4%
Simple Laboratories	Harwood Heights, IL	4,293,874	1,266,236	27.7%
Care Dx Inc.	Brisbane, CA	122,509,311	39,012,032	25.7%
Southern Lab Partners	Birmingham, AL	5,370,479	1,878,699	23.4%
Lincoln Diagnostics	Staten Island, NY	3,421,735	1,267,115	22.0%
Advanced Biomedical	Santa Ana, CA	3,398,635	1,261,019	21.9%
Annapath Pathology	Bowie, MD	7,837,604	3,077,452	20.6%
Convergent Diagnostics	Allen, TX	3,130,795	1,279,675	19.6%
PathMD Inc.	Los Angeles, CA	6,461,485	2,635,510	19.6%
Texas Digestive Disease Consultants	Bedford, TX	10,424,731	4,391,734	18.9%
Advanced Pathology Solutions	North Little Rock, AR	16,704,360	7,751,588	16.6%
Pathology on the Go Inc.	Pompano Beach, FL	3,060,070	1,434,915	16.4%
Total for Top 25 Labs		**$922,748,767**	**$146,088,262**	**44.6%**
Grand Total (all 3,155 labs)		**$7,506,200,999**	**$5,538,727,455**	**6.3%**

*The top 25 were calculated from all independent labs that had Medicare Part B carrier payments of at least $1 million in 2018.
Source: *Laboratory Economics* from Medicare Part B Carrier utilization files, 2018 & 2023

Lab Stocks Down 16% YTD

Twenty-four lab stocks are down an unweighted average of 16% year to date through May 9. In comparison, the S&P 500 Index is down 4%. Tempus AI has jumped 82%, Adaptive Biotechnologies is up 51% and Exagen is up 39%. Quest Diagnostics is up 17% and Labcorp is up 7%.

Company (ticker)	Stock Price 5/9/25	Stock Price 12/31/24	2025 Price Change	Enterprise Value ($ millions)	Revenue for Trailing 12 mos. ($ millions)	Enterprise Value/ Revenue
Tempus AI (TEM)	$61.37	$33.76	82%	$11,260	$803	14.0
Adaptive Biotechnologies (ADPT)	9.03	6.00	51%	1,360	190	7.2
Exagen (XGN)	5.71	4.10	39%	115	57	2.0
Guardant Health (GH)	41.72	30.55	37%	5,780	774	7.5
Oncocyte Corp. (OCX)	2.87	2.38	21%	77	2	40.6
Quest Diagnostics (DGX)	176.96	150.86	17%	26,260	10,158	2.6
Labcorp (LH)	245.73	229.32	7%	26,800	13,177	2.0
Fulgent Genetics (FLGT)	19.70	18.47	7%	-211	292	NA
Sonic Healthcare (SHL.AX)*	26.80	27.01	-1%	17,000	9,330	1.8
Natera (NTRA)	151.95	158.30	-4%	19,850	1,831	10.8
Exact Sciences (EXAS)	51.63	56.19	-8%	11,490	2,828	4.1
Personalis (PSNL)	5.04	5.78	-13%	293	86	3.4
Opko Health (OPK)	1.24	1.47	-16%	1,050	689	1.5
GeneDx (WGS)	59.14	76.86	-23%	1,640	330	5.0
Veracyte (VCYT)	29.71	39.60	-25%	2,090	463	4.5
CareDx (CDNA)	15.36	21.41	-28%	655	346	1.9
Castle Biosciences (CSTL)	16.79	26.65	-37%	230	347	0.7
NeoGenomics (NEO)	8.05	16.48	-51%	1,280	672	1.9
ProPhase Labs (PRPH)	0.30	0.76	-61%	37	7	5.4
Myriad Genetics (MYGN)	3.89	13.71	-72%	424	831	0.5
Interpace Biosciences (IDXG)	0.75	2.70	-72%	6	48	0.1
23andMe (MEHCQ)	0.85	3.25	-74%	4	209	0.0
Biodesix (BDSX)	0.37	1.53	-76%	91	71	1.3
Aspira Women's Hlth (AWH)	0.08	0.71	-88%	4	9	0.4
Totals & Averages			**-16%**	**$127,584**	**$43,553**	**2.9**

*Sonic Healthcare's figures are in Australian dollars

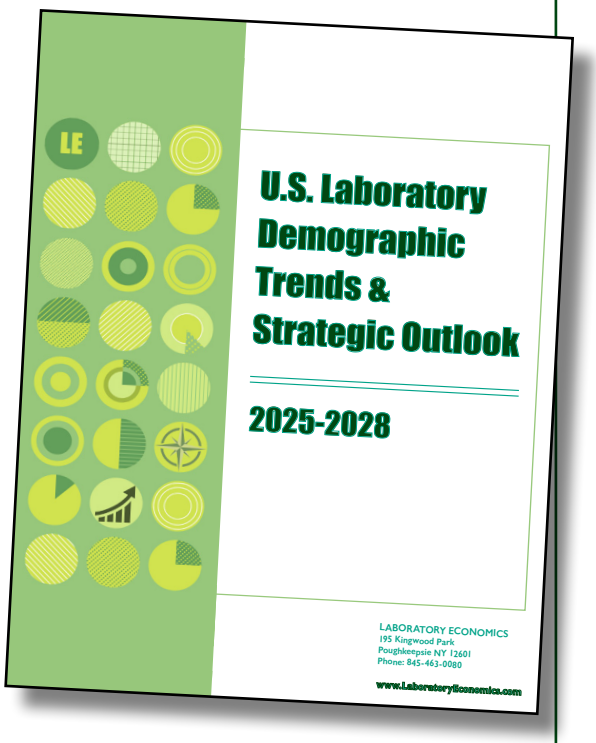
Source: *Laboratory Economics* from SeekingAlpha.com

Jondavid Klipp, Editor and Publisher Jennifer Kaufman, Associate Editor Harrison Klipp, Data Analyst

New from Laboratory Economics

U.S. Laboratory Demographic Trends & Strategic Outlook 2025-2028

"This is an ideal resource for preparing business plans and market strategies and deepening your understanding of key geographic markets across the United States."



The publisher of *Laboratory Economics* has just released **The U.S. Laboratory Demographics Trends & Strategic Outlook 2025-2028**. With this special report, you can tap into 200 pages of proprietary market research that reveals critical data and information about key business trends affecting the clinical laboratory market.

Don't fall back on guesswork or market hunches. Tap this invaluable 200-page report for the strategic insights that are decisive in the battle for market share.

- ❑ More than 200 charts and graphs
- ❑ Industry size and growth rates for 2015-2028
- ❑ Medicare volume and payment data for more than 500 independent labs
- ❑ Medicare volume and payment data for more than 500 hospitals
- ❑ Top 30 U.S. laboratory companies by total revenue
- ❑ Detailed profiles of 36 key MSAs across the United States
- ❑ Exclusive Laboratory Economics Survey Results
- ❑ Top 25 Big MSAs with High Projected Population Growth
- ❑ Top 25 Small MSAs with High Projected Population Growth

We've distilled volumes of data—from the Census Bureau, CMS, Hospital Cost Reports, Securities & Exchange Commission financial records and CLIA Provider Files—to uncover testing volume trends for independent, hospital and physician-office-based labs.

Plus, we profile 36 key cities with detailed market share estimates for independent, hospital and physician-office-based labs in each MSA.

The U.S. Laboratory Demographic Trends & Strategic Outlook 2025-2028 can help you make educated decisions. You'll get an insider's market expertise combined with objective data for the best possible insight into the laboratory market's competitive dynamics.

ORDER ONLINE: www.laboratoryeconomics.com

LABORATORY ECONOMICS

Condensed Table of Contents...

200+ pages of Charts, Tables and Graphs

About the Author

Jondavid Klipp is president and publisher of ***Laboratory Economics LLC***, an independent market research firm focused on the business of laboratory medicine. Prior to founding ***Laboratory Economics*** in April 2006, Mr. Klipp was managing editor at Washington G-2 Reports. During his seven-year employment with G-2, he was editor of Laboratory Industry Report and Diagnostic Testing & Technology Report. Prior to joining G-2, Mr. Klipp was an HMO analyst at Corporate Research Group in New Rochelle, New York, and a senior writer in the equity research department at Dean Witter in New York City.

ORDER FORM *(print this from then fax to 845-463-0470)*

❑ **YES!** Please send me **The U.S. Laboratory Demographic Trends & Strategic Outlook 2025-2028!**

___ $1,295 (for subscribers to Laboratory Economics)

___ $1,395 (non-subscriber price)

Name _____

Title _____

Company Name _____

Mailing Address _____

_____

Phone _____

e-mail address _____

❑ Please invoice us P.O. # _____

❑ Check enclosed (Payable to Laboratory Economics)

❑ Charge my: Amex MC Visa (circle one)

Card # _____

Expiration Date _____ Security Code _____

Cardholder's Name _____

Signature _____

Billing Address _____

_____

Four Easy Ways To Order:

Mail to: Laboratory Economics, 195 Kingwood Park, Poughkeepsie, NY 12601
Fax Order: 845-463-0470 **Phone Order:** 845-463-0080 **Web:** www.laboratoryeconomics.com