EXECUTIVE INSIGHTS

A Bifurcated Lab Market Is Reshaping Strategic Priorities and Capital Decisions: Insights from L.E.K.'s US Clinical Diagnostic Lab Survey (2025)

Introduction

Clinical diagnostic labs enter 2026 with steady demand and continued menu evolution. At the same time, reimbursement pressure, labor constraints and heightened capital scrutiny are reinforcing a disciplined proof-of-value posture, with spend driven by measurable operational and financial benefit.

L.E.K.'s U.S. Clinical Diagnostic Lab Survey captures perspectives from 100 executives and directors of hospital and multispecialty commercial labs to assess financial health, outlook, and strategic priorities, and to anticipate how demand signals and spending patterns may evolve.

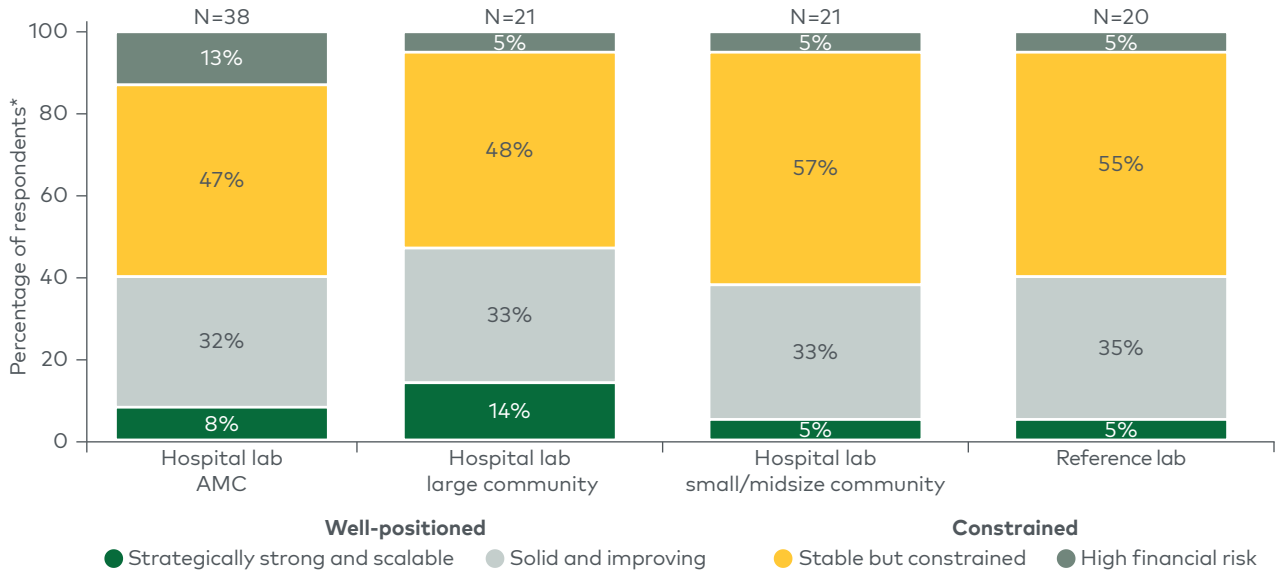
In this edition of L.E.K. Consulting's *Executive Insights*, we highlight four themes shaping 2026-2028 investment decisions and discuss the implications for diagnostics original equipment manufacturers (OEMs) and lab suppliers.

Four dynamics shaping 2026-2028 investment decisions

1. There is a bifurcation in financial health, regardless of lab setting

Roughly 40%-50% of labs describe themselves as well positioned (solid/improving or strategically strong), while 50%-60% report being constrained or at heightened financial risk (see Figure 1).

Figure 1
Financial health, by lab type



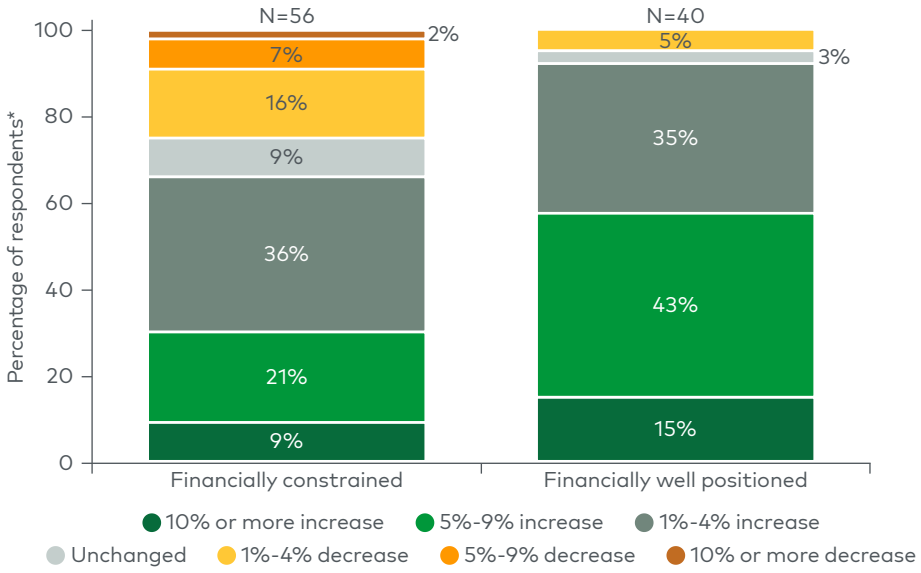
*Survey question: How would you describe your lab's current financial health? Please only consider a single lab site (i.e., your primary lab site)
Note: AMC=academic medical center
Source: L.E.K. 2025 Clinical Diagnostic Lab Survey

Notably, this split appears broadly consistent across academic medical centers (AMCs), community hospitals and reference labs, with no clear pattern tied to lab size or modality mix, pointing to broad structural pressures rather than challenges isolated to specific segments. On the other hand, lab financial health appears to vary regionally, with approximately 50% of labs in the South and West reporting being financially well positioned compared with about 25% in the Northeast and Midwest. This may partly reflect faster population growth and higher chronic care demand in the South and West regions.

2. Revenue outlook is positive, but well-positioned labs expect to outpace constrained peers

Financially well-positioned labs have a positive revenue growth outlook, with nearly 60% expecting 5%+ annual increases and another 35% expecting 1%-4% annual increases (see Figure 2). Financially constrained labs, in contrast, are less optimistic, with around 35% expecting flat or decreasing revenue and another roughly 35% expecting modest 1%-4% annual increases, suggesting that topline expansion may not be sufficient to offset structural cost inflation or meaningfully expand operating flexibility for these labs. The differential between well-positioned and constrained labs also suggests that the divergence could expand as the overall market grows, with stronger labs better positioned to reinvest in capacity, menu and technology expansion than their constrained peers.

Figure 2
Expected annual total test revenue change in the next three years, by lab financial health



*Survey question: How do you expect total test revenue of your lab (single lab site) to change per annum over the next 3 years (through 2028)?
Source: L.E.K. 2025 Clinical Diagnostic Lab Survey

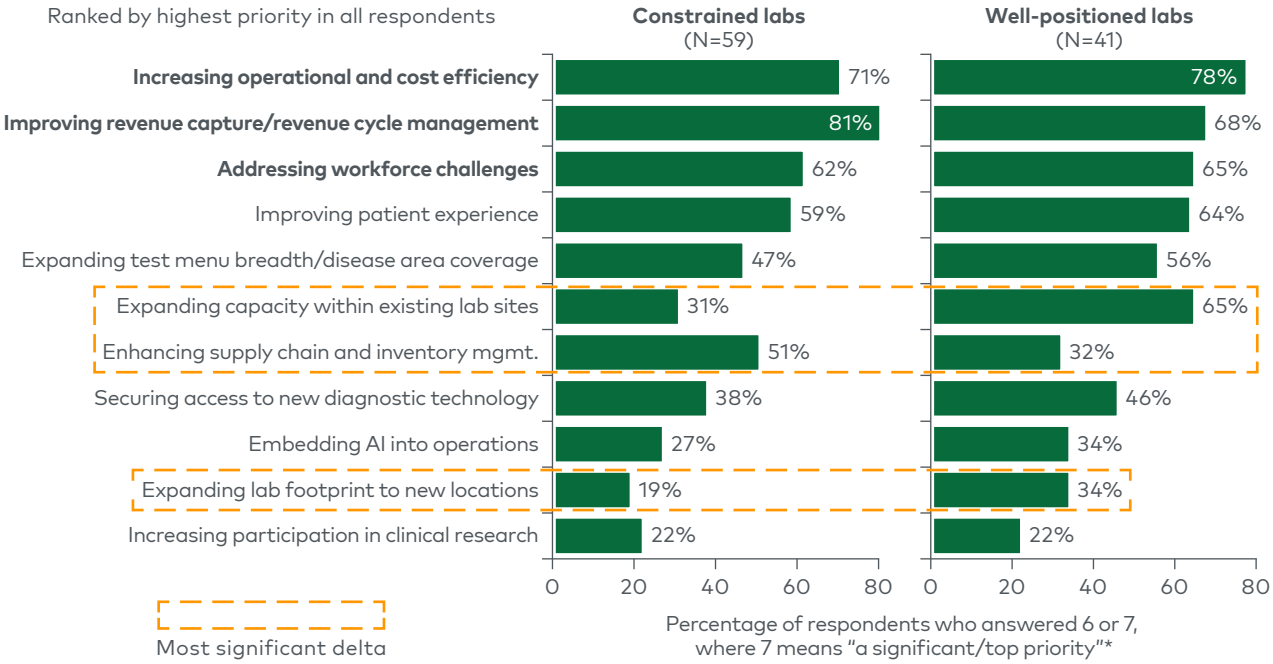
AMCs and reference labs express greater optimism than community hospital labs in expected revenue growth, with 45%-60% of experts from AMCs/reference labs projecting 5%+ annual revenue growth over the next three years versus 25%-40% among community hospital labs. Notably, approximately 15% of labs expect a revenue decline over the next three years, mostly in hospital labs.

Even with expected revenue growth, capital budgets are largely expected to be flat or only modestly up. Across lab segments, the majority of respondents (roughly 60%) anticipate no change or only slight increases (<5%) in annual capital budgets for new or upgraded equipment over the next three years, signaling conservatism in near-term instrumentation spend outside of reagent rental models.

3. Strategic priorities converge on operating discipline, with divergence on growth versus resilience

Across financial cohorts, labs' near-term priorities are anchored on operational discipline. Improving operational and cost efficiency and improving revenue capture/revenue cycle management sit at the top of the agenda for both constrained and financially strong labs (see Figure 3). Workforce challenges also remain a pervasive operational bottleneck for both constrained and well-positioned systems.

Figure 3
Current lab strategic priorities, by lab financial status



*Survey question: To what extent are each of the following strategic priorities for your lab (single lab site) currently? Please indicate the importance of each goal on a scale of 1-7, 1 meaning "not at all a priority" and 7 meaning "a significant/top priority"
Note: AI=artificial intelligence
Source: L.E.K. 2025 Clinical Diagnostic Lab Survey

Where priorities diverge are in second-tier actions that signal the ability to invest versus the need to defend. Financially strong labs place materially greater emphasis on expanding capacity and lab footprint as well as securing access to new diagnostic technology, reflecting a posture that extends beyond stabilization into selective growth and modernization. In contrast, constrained labs place materially higher emphasis on supply chain and inventory management (51% vs. 32%), consistent with limited tolerance for shortages, price volatility and backorders that can disrupt service and revenue capture.

Although embedding artificial intelligence (AI) into operations ranks lower among stated strategic priorities, many labs are already deploying it selectively to drive efficiency. About 60% of surveyed labs report at least trialing AI in selected workflows, led by reference labs (approximately 70%) and large community hospitals (roughly 65%), followed by AMCs (about 55%) and small community hospitals (around 45%). AI adoption today is concentrated in analytical workflows/test interpretation and result reporting and delivery.

Looking ahead, roughly 90% of experts expect broader AI use within three years, with expanding applications including quality control and specimen triage and prioritization. Wider adoption of AI will depend on demonstrating clear operational return on investment (ROI) and directly supporting top lab strategic priorities, particularly efficiency gains and revenue capture.

Notably, the survey also indicates that strategic priorities are broadly consistent across lab settings and lab sizes, underscoring that the emphasis on productivity and efficiency is consistent across labs in AMCs, community hospitals and reference environments.

Implications for in vitro diagnostics manufacturers: How to win in a bifurcated market

As purchasing decisions place greater emphasis on demonstrated ROI and ease of execution, suppliers will increasingly need to meet labs where they are — recognizing that a one-size-fits-all value proposition will not resonate equally with financially strong and financially constrained labs.

The following implications summarize how OEMs and lab suppliers can win in this environment:

1. **Tailor the value proposition by financial posture.** Financially strong labs are more likely to prioritize modernization and selective growth, whereas constrained labs will be more focused on near-term stabilization and resilience; suppliers should segment messaging, offerings and commercial approaches accordingly.
2. **Lead with quantified operational and economic outcomes.** Labs' "table stakes" increasingly emphasize demonstrable impact over general claims — suppliers should translate solutions (including end-to-end automations) into measurable improvements in key lab outcomes (e.g., throughput, turnaround time, utilization, first-pass yield, labor productivity, revenue capture/denials) and articulate the economic value clearly.
3. **Reduce adoption friction through execution support.** Given staffing constraints and limited tolerance for disruption, implementation capabilities (workflow design, training, information technology/connectivity, change management, service models with guaranteed uptime, remote monitoring) increasingly influence purchase decisions alongside product performance.

Conclusion

Our 2025 Clinical Diagnostic Lab Survey depicts a sector increasingly split between labs that can invest selectively and those operating under meaningful constraint. Most labs expect revenue growth through 2028, but stronger labs anticipate faster growth, potentially reinforcing divergence. For OEMs and suppliers, success will depend on tailoring value propositions to distinct customer realities, delivering quantified operational and financial outcomes, and providing robust execution support.

In an upcoming edition of *Executive Insights*, we will explore how test demand is growing across key modalities, how labs are adopting emerging technology platforms including next-generation sequencing and digital pathology, and more.

To discuss these findings and how your organization can position itself for success in this evolving environment, please contact us.

Note: AI was used to support the drafting of this article.

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